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Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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Economy Affects Perks; Prexies, CEOs Hit Hardest

NEW YORK—The third biannual study of executive perquisites in discount department store chains, conducted recently by the National Mass Retailing Institute (NMRI), has shown changes that reflect the economic difficulties of the nation as a whole.

These include a rise in the mileage allowance for use of a personal car; growth in the number of dental plans offered; standardization of pension plans, and a reduction in the number of firms that allow first-class air travel for their top executives.

Top-level headquarters personnel were able to book first-class seats on business trips last year at 37% of the chains responding to the NMRI survey. This year (in which the survey drew a response rate of more than 90% of the NMRI membership), that figure is down to just 14% of the companies responding—and then only for the chief executive officer or president. Lower-level senior management at headquarters was allowed first-class seats in 9% of the companies, and the percentage dropped to zero for the lowest-level headquarters personnel.

Presidents and chief executive officers, as a group, showed lower levels of perks in more than half of the 52 categories measured. That may reflect, in part, a larger sampling this year, but it also probably reflects the tough year retailers have had, and corporate efforts to effect savings in some expensive fringe compensation areas.

Top-level merchandising executives, however, fared better in 1981 than their bosses. Many perks were offered by more firms this year than last, and reductions in the number of companies reporting others were less severe than among the presidents and ceo's. This is apparently the result of the renewed emphasis, generally in 1981, on the importance of the merchandising staff.

Dental insurance, for example, is offered across the board (top merchandising executives, general merchandise managers, category merchandise managers and buyers) on the merchandising side by more chains than ever—23% of the companies for each group except category merchandise managers, where 16% of the companies report offering a dental plan.

(Company-paid plans, however, are only offered for merchandisers by 19% of the respondents—14% in the case of category merchandise managers.)

Among store-level personnel—store managers and as-

(Continued on page 55)

Fitness Mania to Spur Sporting Goods Beef-up

By Betty J. Taylor

NEW YORK—Discounters attending the Sporting Goods Manufacturers Association (SGMA) fall show here said they will continue to beef up their departments—especially assortments and price points in wearables and accessories—in 1982, to keep up with the country's physical fitness mania which has brought fashionability to their department.

Exercise equipment also continues to generate excitement. Many discounters reported trading up in price points and expanding sections of exercise bicycles and boxing equipment. Generating some interest at the show was a new trampoline-jogger.

A Step Forward

Although buyers found few new products here in the New York Coliseum, spirits were buoyed by new packaging and presentation, especially in accessories and lawn games. New details and fabrications and more emphasis on licensee logos in roll bags, day and back packs and wearables were also cause for excitement among

(Continued on page 53)

At SGMA Show: Bradlees' Richard Casey (r.), Vin Black (c.), and Jon Shaw. *(DSN photo)*

Brass Restructuring Almost Complete At Jefferson/Ward as Jolosky Joins Up

MIAMI—The new management structures for Jefferson/Ward and for its parent Montgomery Ward were being fleshed out further at presstime.

At Jefferson/Ward, Richard Jolosky was appointed to the newly created post of senior vice president and general merchandise manager for soft lines. He had been Wal-Mart's vp and gmm for soft lines and domestics.

Jolosky's appointment left one key post, senior vp and gmm for hard lines, still vacant at presstime.

The appointment came as Joyce Black resigned as senior vp, soft lines. She had been one of the few remaining Jefferson/Ward executives whose service predated the advent of the discounter's management realignment being engineered by Stephen Pistner, president of Montgomery Ward. (See *DSN*, Sept. 21, P. 1.)

Meanwhile, at Montgomery Ward, Pistner completed the restructuring of the retailer's top merchandising staff, naming three executives to the newly created post of senior vp and gmm.

Those appointments were announced simultaneous to Bob Harrell, executive vp, merchandising, turning in his resignation for personal, family reasons. He had been the retailer's top merchandising executive.

Ira Quint, who had been assistant to the executive vp, merchandising, was promoted to senior vp and gmm for soft lines.

John C. McGivern was advanced from vp and divisional merchandise manager to senior vp and gmm for auto, home entertainment and major appliances.

Marvin Stern joined Montgomery Ward from Sears and fills the post of senior vp and gmm for hard lines. Stern had been with Sears for more than 20 years, most recently as national merchandise manager for major appliances.

'Billionaire' Best Boosts Fiscal-Year's Net 12%

RICHMOND—Best Products' exceptionally strong fourth quarter pushed the cataloger past the $1 billion sales mark and also boosted earnings by 12%.

Sales in the fiscal year ended June 27 were $1,002,037,000, up 19% from $841,803,000, while net earnings went to $24,274,000 from $21,676,000.

Company executives, however, concerned about the state of the economy and high interest rates, have committed the cataloger to only three new full-line showrooms in 1982, a sharp drop from the average of 10 a year opened during the past half decade.

President Andrew Lewis told *DSN* that for the first time the cataloger was actively interested in recycling closed stores. The availability of such units could prompt Best to open more than the planned trio.

The full-line, 65,000-sq.-ft. units set for El Paso, Tex., and Ventura and Pinole, Calif., will follow the format of Best's radical new showroom opened two months ago in Montgomeryville, Pa. (see *DSN*, Oct. 5, p. 1).

Recycled stores, particularly if they are small units, would follow the scaled-down, 40,000-sq.-ft. showroom prototype opened at presstime in Plano, Tex. This unit is the first satellite showroom in the Dallas market, where Best already has a half-dozen full-line stores.

Lewis, in a presentation to financial and investment executives in New York, noted that Best showrooms were maturing in about 1½ years, the fastest rate ever for the company. Volume during a showroom's first year was also much higher, he said, as the cataloger became better known in its markets and supported new units with more advertising.

The maturing of the 20 showrooms opened during the past two years, and greater consumer awareness of Best combined to boost the cataloger's sales in the fourth quarter ended June 27 by 33.8% and to produce a $6,293,000 profit as against a $111,000 loss in the period in 1980.

(Continued on page 58)

Two Guys Store-Closings Snowball; Next: 12 in Upstate N.Y., 3 in Pa.

GARFIELD, N.J.—In a long-awaited move, Vornado, parent of Two Guys, announced at presstime that it was closing 15 of the chain's 43 remaining stores, including 12 in upstate New York and three in Pennsylvania.

A week earlier the chain had announced that it would close its three Connecticut stores and a fourth unit in Aflantic City. At presstime, no closing plans had been announced for the chain's five Maryland stores or two remaining Pennsylvania stores—Bethlehem and Lancaster. It seemed unlikely that those stores, the chain's last remaining non-New Jersey locations, would remain in operation much beyond the first of the year.

In a first round of closings this summer, the chain shuttered its three Massachusetts stores in Chicopee, Milford and

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Tried-and-True Methods Still Powerful, Two Speakers Remind AGMC Convention

WEST PALM BEACH, Fla.—Retailers attending the 33rd annual convention of the Association of General Merchandise Chains (AGMC) at the Breakers Hotel here were reminded by two speakers that old tried-and-true methods and strategies are still powerful.

"The 1980's are tailor-made for entrepreneurs," was the message for AGMC members from Bert C. McCammon Jr., director of the distribution research center at the University of Oklahoma's College of Business Administration. He quoted General George Patton ("A good plan, violently executed now, is better than a perfect plan next week") as he encouraged the audience to meet the competitive realities of the 1980's (escalation of price competition, the concentric impact of competitive strategies and the downside pressure from intercept competitors) with "power retailing" and "high performance management."

The "concentric impact" concept refers to the complex inter-relations between general merchandise retailers. The example cited by McCammon referred to super drug stores, which may install a strong DIY department, affecting home centers in the market who then strengthen their lighting department to increase their share of that market, which affects the lighting specialists in the market, who may counter by installing a home decor assortment—which ultimately affects department stores in the market, who may have to improve their lamp department to compete.

"Intercept" competition is McCammon's expression for the limited assortments offered by nonstore retailers, off-price merchandisers and the like who may add enough of a selection to reduce the profitability of the full-line store in the same market by siphoning off some sales.

McCammon's message included his warning of the fragmented consumer—he refers to the phenomenon as "segmentation," calling any market a "series of submarkets," defined by "distinctive lifestyles."

McCammon went on to warn about new competition in the market—super specialty stores, with a tight product focus and equally tight market focus, and the "new generation of mass merchandisers," including Mervyn's, Toys "R" Us, Service Merchandise, and others.

McCammon pointed out a "new performance imperative," his term for the need to grow in volume and profits at a rate which *exceeds* the impact of inflation to achieve real growth, and called the 1980's the "era of the consummate strategist." He compared retail strategy to the military strategy matrix, in which "pre-emptive warfare" (one of four defined kinds of warfare in the matrix) is the equivalent of pre-empting a competitor's grab for more mar-

(Continued on page 58)

Psychographic Profile of General Merchandise Customers in Most Metro Markets

Customer Segment	Shopping Orientation	Store Preference	Demographics and Lifestyle	Growth Potential
Blue Collar-Traditional (14.1%)	Directional, Inflation-Impacted Shoppers	Discount Dept., Specialty Mass Mdsers., National Chains	Blue Collar Lifestyle	Low/Mod.
New Conformist (19.4%)	Assured, Fashion-Involved	Spec. Stores, Dept. Stores	New Conformist Lifestyle	High
White Collar Traditional (21.3%)	Aggressive, Smart Shoppers	Limited Store Loyalty—Shops Departments	Middle-America Lifestyle	Low/Mod.
Retreating Customers (10.7%)	Expedient, Risk-Avoiding Shoppers	National Chains, Dept. Stores	Traditional Lifestyle	Low/Mod.
Creative Customers (19.3%)	Eclectic, Self-Confident	Limited Store Loyalty—Shops Departments	Active, Autonomous Lifestyle	High
Transitional Customers (15.2%)	Exploratory, Price-Driven	Discount Stores, Spec. Disc. Stores, National Chains	Upwardly Mobile Lifestyle	High

The chart shown by Bert C. McCammon Jr. at the annual AGMC meeting divided consumers into six psychographic groups by lifestyle, each group requiring a different strategic approach. A chain that targets the retreating customer, for example, is targeting the smallest group in numbers, generally a lower-income group, and one which shops primarily by habit and convenience. "That's not a strategy, that's a sentence," said McCammon.

Source: Distribution Research Program, University of Oklahoma.

Bill Would Choke Off Most IRBs, Hurt K mart

WASHINGTON—Key Congressional Democrats have made good on their threat to introduce specific legislation aimed at choking off most Federally subsidized Industrial Revenue Bond (IRB) financing for expansion-minded chains, including discounters.

The bill, sponsored by Rep. Charles Rangel (D-N.Y.), would prohibit states and municipalities from issuing low-interest IRBs for the development of retail stores or other commercial businesses except for those scheduled for "economically disadvantaged" areas.

Although the legislation would pack a potential impact for a broad range of businesses, the prime thrust of the proposal is directed at K mart. Over the past five years the nation's largest discounter has systematically applied for and obtained below-market Industrial Revenue Bond financing to underwrite much of the chain's aggressive store expansion drive.

Since the 1970's, K mart has obtained well over $200 million worth of state and local Industrial Revenue Bond financing to construct some 100 discount stores across the country.

IRB critics, including many within the retail industry, have been pressuring Congress for years to place a limit on the availability of these tax-subsidized bonds to mass merchandisers, arguing that K mart and other chains should not receive Federal subsidies to compete with existing establishments.

Since IRBs are sponsored by state and local governments, interest to purchasers of the bonds is free from Federal income taxes. As a result, the interest rates on IRBs average considerably below market levels—a feature that has made these bonds particularly attractive to chains during tight money periods.

Although Rangel's bill has drawn support from key Democrats on the House Ways and Means Committee, the main concern among IRB proponents is that the Reagan Administration may endorse the proposed retail industry restrictions for budget purposes.

Reportedly, top Reagan budget officials, including chief Administration cost-cutter David Stockman, are deeply concerned over the increasing tax revenue drain caused by IRB issues.

As early as 1960, the total Federal tax loss resulting from all Industrial Revenue Bonds was estimated at $100 million by the Congressional Budget

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Apollo Sells Apparel Depts., Inventory To Belscot; Will Run Hard Lines Again

NEW YORK—Apollo Merchandising has sold its apparel departments along with its entire RTW (ready-to-wear) inventory in its six remaining stores to Belscot Retailers Inc., an apparel department lessee.

At the same time, the company will retake control of its hard lines departments which had previously been leased to Rix and National Hardgoods. Despite the broader margins carried by apparel department goods, the company expects the lessee exchange to be more profitable, acording to a company executive.

Along with the internal reorganization, the company is changing its name to Apollo Department Stores and relaying the stores: Health and beauty aids, for example, will now be found along with jewelry in

(Continued on page 55)

Spotlight on: Chicago

New Zayre Adapts to That Toddling Town

Zayre stocked rabbit-fur coats and jackets (not shown) to lure fashion-conscious Chicago shoppers into its new store at 47th and Halstead. According to a chain spokesman, the 90,000-sq.-ft. former Community Family Center is "destined to become a $17 million to $18 million store." *(DSN photo)*

In This Issue...

AUTO-BIOGRAPHY. *DSN*'s special APAA section reports that automotive buyers are bullish. (Pp. 17-36)

CAUTION. PMAs show that housewares and electrics buyers are adding few new items. (Pp. 42-47)

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Zodys Makes a Triple Bow in New Market Area: Sacramento

(Continued from page 3)
dollars it invests in that category in southern California.

For its new Greenback Lane store, the farthest north, and about 60 miles from Lake Tahoe, the company expects to add skiwear—a category not found in other Zodys units.

Since the average Zodys prototype is 80,000 sq. ft., all the departments in the three stores were pared about 12% to 13% to fit into the smaller spaces, Solomon said. The normal racetrack traffic pattern in the units and the entrance configuration direct the full-line discount store customer into apparel, a major emphasis for Zodys.

A slight modification in layout and a change in the major appliance adjacency were adopted to fit the deep and narrow layout of the building.

The major appliance department, which is normally centered on the back wall, was shifted to the far left corner because of pre-existing walls and offices in the back-up area immediately behind the center back wall. Their presence made it impractical for the chain to carve out its usual television display area there. That shift pushed the toy department, normally located in the far left corner, further out along the far left side wall.

In the past few months, Zodys has experimented with orange/red vinyl floor tiles—instead of carpeting—in the apparel areas.

While both the vinyl tiles and carpeting cost about the same to install, Solomon said maintenance costs are double for carpeted floors. Each new store will be evaluated, based on type and amount of traffic expected, to determine whether carpeting or tiles will be used.

With these three units, about 360 miles north of its Los Angeles headquarters, Zodys eliminated its grandiose grand opening policy, including ribbon-cutting ceremonies, speeches and celebrities. Solomon said that by just opening the stores, the chain expects to eliminate the large crowds flooding the doors prior to the store opening and distribute that traffic more evenly throughout the day, thereby improving overall customer service.

Zodys pared all departments in its new Sacramento-area stores by 10% to 15% to fit them into the 70,000-sq.-ft. former Gold Circles the chain bought this summer.

Executive Perks Are Reduced

(Continued from page 1)
sistant managers—there was an almost uniform reduction in the number of companies reporting perquisites. Some perks, however, were expanded to include assistant managers—profit sharing, for example, is offered for assistant managers by 40% of the respondents, up from 31% last year.

Sharp reductions at store level were reported in the provision of long-term disability insurance (58% of the store managers, and 49% of the assistants, down from 74% and 66% respectively); company-paid life insurance (33% for managers, 28% for assistants, down from 50% for both); vacation pay in lieu of time off (halved to 9% of the responding companies, from 18% two years ago), and assumption of the financial loss that may result from the sale of a transferred store manager's primary home (9% of store managers this year compared to 18% two years ago, and 7% for assistants this year, down from 18%).

There was also a reduction in the number of companies offering nonsalary relocation bonus payments for transferred store managers—just 9% this year, compared to 21% two years ago.

Specific questions asked all the respondents, and tabulated for the entire group of executives at all levels, included vacation policies, Sunday compensation plans, gas mileage reimbursement, post-retirement benefits and "others," not included on the NMRI survey.

One-week vacations after less than six months employment were offered by only 3% of the respondents, compared to 13% two years ago. Two-week vacations after one year are offered by 40% of the respondents, down from 45% in the last survey. But, three-week vacations are now offered by 44% of the respondents after five years—up from the last survey, when only 38% of the respondents allowed three weeks off after five years.

Sunday compensation is offered by 17% of the respondents, up from 10% in the last survey, and holiday compensation is also up to 29% of the companies responding from 17% two years ago.

Almost all respondents pay a mileage allowance—98%, ranging from 10¢ a mile to 25¢—with the largest group at 20¢ a mile (34% of the companies that pay an allowance).

Post-retirement benefits (discounts, medical insurance, life insurance and others) are offered by 20% of the companies surveyed, up from 16% two years ago, and more companies (11%, up from 2%) report a cafeteria operation for the employees' benefit.

The third executives perquisites study is available from the NMRI, 570 Seventh Ave., New York, N.Y. 10018. The first copy is free to NMRI members, but additional copies are $30 each. Nonmember firms are charged $40 a copy, whatever the quantity.

Perks Pared

Perquisite/Benefit	CEO/ President 1979	1981
Paid Medical Coverage	83%*	84%*
Paid Family/Medical	75	70
Dental Insurance	35	30
Paid Dental Plan	28	16
Rx Drug Plan	51	35
Paid Annual Physicals	64	51
Optical Plan	24	16
Paid Life Insurance	66	63
Paid Leave of Absence	27	26
Interest-Free Loans	9	0
Low-Interest Loans	7	7
Assumption of Liability for Financial Loss from Sale of a Primary Home	22	14

**Per cent of chains polled compensating their ceo/president with the perquisites listed.*

In some of the perquisites measured for chief executive officers and presidents, shown above, the effects of corporate cost-cutting can be seen in the reductions of some benefits associated with high costs.

Solar Home Unit Makes 1st Retail Bow

HACKENSACK, N.J.—The Bloomingdale's store here is offering a solar home heating unit, and is reportedly the first retailer to do so.

Solar Heat Conditioner, manufacturer of the American Solar Heat Conditioner, designed the 47-lb. unit as an entire room heater which is installed like an air-conditioner. A solar collector hangs outside, below a window, and an electrical fan draws hot air into the room.

For the first week of sale, Bloomingdale's had the unit on view in five store locations. Units may now be found on display in the radio/TV department.

IRBs

(Continued from page 2)
Office.

This year, budget office economists contend IRBs will drain more than $1 billion from the Federal Treasury, and by 1986 these tax-free bonds could reduce total Government revenues by as much as $2.9 billion.

On the other side, IRB advocates contend that these projections do not take into account the likely Federal revenue gains created by the additional business activity resulting from new retail stores and factories constructed by bond issues.

For their part, retail industry lobbyists maintain that any attempt to restrict the availability of IRBs to the commercial sector would not only be discriminatory, but also would likely backfire by depriving state, and Federal governments of additional tax revenues from increased employment levels.

Despite these arguments, officials on the Ways and Means Committee told *Discount Store News* that some new restrictions on IRBs are likely to clear Congress during the next session.

"There's a strong sentiment here for turning off these subsidies to large corporations, particularly discount chains and fast-food restaurants which probably would expand their operations with or without reduced-interest Industrial Revenue Bond financing," one committee aide said.

Although the Reagan Administration had taken no formal position on the issue at presstime, Treasury Secretary Donald Reagan has suggested that some sort of "cap" needs to be placed on the availability of these bonds.

Month's Sales at Zayre Increase Nearly 10%

FRAMINGHAM, Mass.—Sales at Zayre rose 9.7% in August, from $124,403,000 in 1980 to $136,526,000 this year.

For the 30 weeks ended Aug. 29, 1981, sales were up 16.3% from $787,890,000 to $916,602,000 in 1981.

Wickes Converts 5 Tempo Units

SAN DIEGO—Wickes has converted five of its northern California Tempo discount stores to Builders Emporium units.

Wickes, which acquired the Tempo chain about a year ago with the purchase of Gamble-Skogmo, decided to close the Tempo stores in order to "deploy its assets in more profitable businesses."

In addition to the five Sacramento, Calif., stores that have been remerchandised and renovated into Builders Emporiums, a "few" other Tempo units will become Gamble stores.

Two Guys

(Continued from page 1)
Springfield.

Since its takeover more than a year ago by Interstate Properties, a privately held New Jersey real estate developer, rumors had abounded that the once-powerful discounter would be sold off, a site at a time, for its real estate holdings.

For the first half of the current fiscal year ended Aug. 1, the chain posted an aftertax net loss of $17,943,000 on sales of $253,192,000. A year ago, the chain also finished the half in the red with a $4,906,000 loss on sales of $274,939,000.

No buyers for any of the closed locations had been announced at presstime. Vornado and Two Guys officials were unavailable for comment.

Memco Unveiled

BUENA PARK, Calif.—Gemco/Memco opened a new 73,000-sq.-ft. Memco store in Oxon Hill, Md.

It opened at 990 E. Swan Creek Road and Indian Head Highway next door to the Old Forte Village Shopping Center.

Apollo

(Continued from page 2)
glass-countered departments with separate registers.

In addition, the company will trim sizes of its three largest stores, to further save on rent. One store in Milwaukee and two in Detroit will be pared down to 55,000 sq. ft. from 80,000.

The executive said the company was still in the process of restaffing its New York office and that no buyers have been hired for the health and beauty aids, stationery, housewares, hardware or automotive departments.

Microwave Ovens 'In'; Air-Conditioners Off

CHICAGO—July 1981 factory unit shipments of 2,682,800 major home appliances dropped 1% from July 1980, according to a report released by the Association of Home Appliance Manufacturers.

The following category shipments rose, however: freezers, 24.9%; microwave ovens, 36.3%; automatic washers, 9.8%; clothes dryers, 7.1%; electric ranges, 5.7%; refrigerators, 7.1%, and dishwashers, 3%.

Room air-conditioner shipments declined 50%.

APAA Show

Auto Now One of Most Profitable Discounter Depts.

	1971	1975	1976	1977	1978	1979	1980	10-year change	5-year change	'80 vs. '79
Dept. Size (sq. ft.)	1,625	2,225	2,225	2,300	2,280	2,280	2,280	+40.3%	+2.5%	NC
Annual Turns	4.4	4.6	4.5	4.6	4.7	4.5	4.2	−4.5%	−6.7%	−6.6%
Volume per sq. ft.	$70	$166.73	$189.69	$195.34	$211.27	215.00	$225	+221.4%	+18.6%	+4.7%
Initial Markup	33%	37%	35%	34%	33%	33%	32%	−3.0%	−8.6%	−3%
Gross Margin	30%	30%	30%	29%	27%	27%	27%	−10%	−10%	NC
Company-Run Access.	72%	90%	90%	90	92%	93%	93%	+29.2%	+3.3%	NC
Company-Run TBA	—	69%	69%	71%	73%	78%	78%	—	—	—

NC—No Change.

Source: DSN research

Automotive has become one of the most profitable departments in a discount store over the past decade with sales per square foot moving ahead a tremendous 221.4%.

Despite pressure on discounters to force price points downward, initial markups slipped only one percentage point during the period and gross margins dropped only three points. Automotive will account for 6.4% of the industry's total gross margin dollars by year's end 1981.

During the same 10-year period discounters also gained almost complete control of their auto accessory and TBA (tires, batteries and accessories) departments: In 1972, only 72% of discounter automotive accessory departments were run by the chains themselves; in 1980 94% of the chains had control of the departments. Likewise, in 1975 (the earliest year for which figures are available) 69% of the industry's TBA departments were chain-operated compared to 81% in 1980.

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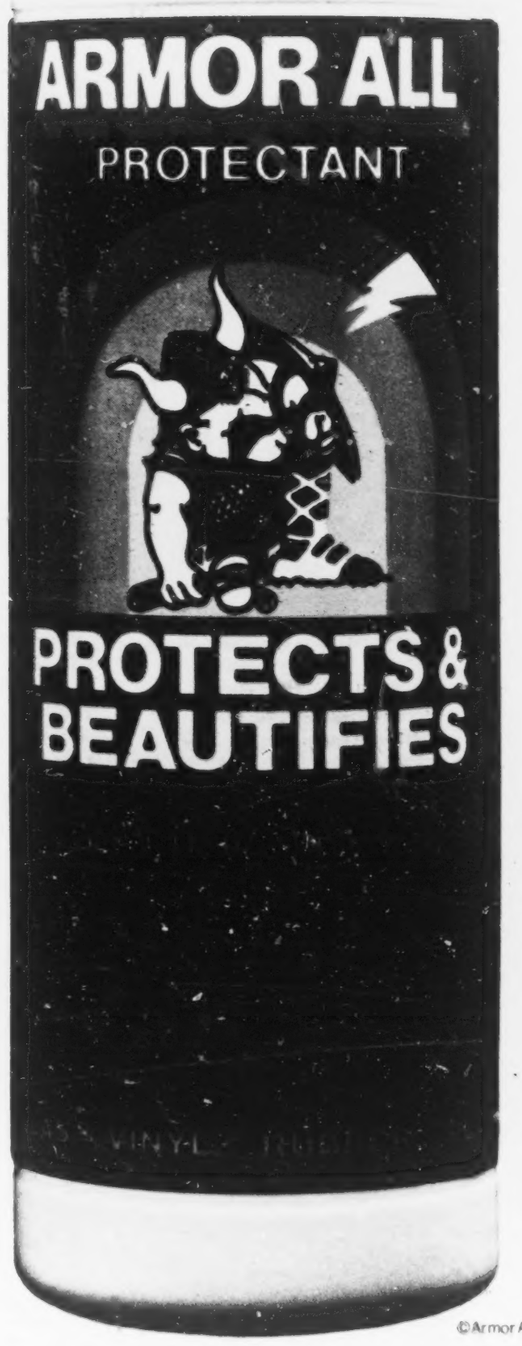

A HUGE $9,700,000 AD BUDGET.

ArmorAll Protectant is the #1 best selling Car Care Appearance Product. And we spend more on advertising support than any other product in the category. An unprecedented $9,700,000 in 1982. And, we're still giving away free samples to gain trial—another 10,000,000 in 1982 for a total of 85,000,000 in the past 10 years.

FOUR PRODUCTS IN TOP 60.

Not only is ArmorAll Protectant #1 in sales, it's also #1 in total dollar movement in 4, 8, 16 and 32 oz. sizes. And all four sizes are in the top 60 best selling units in the Automotive Department.

THE LOOK OF THE LEADER.

ArmorAll Protectant's point-of-purchase and packaging have created the most distinct brand imagery in the category. In short, we look like #1. We support like #1. And we sell like #1.

ARMOR ALL PROTECTANT

IT'S SCIENCE.
BUT IT WORKS LIKE MAGIC.™

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Catalogers Get Down To Basics

After years of avoiding or minimizing their commitment to the category, catalogers are responding to consumer demand for auto repair and maintenance products and increasing automotive's space in their showrooms and their catalogs.

In fact, the assortment of goods the showroom operators now stock isn't limited to the higher-ticketed auto accessories; they're moving nuts-and-bolts basics, often priced under $10, that have long been the domain of discount and specialty stores.

At Service Merchandise, auto accessories won five of the latest catalog's pages—compared to three in the 1980-81 book as the chain expanded its coverage at both the high and low end.

New to the book this year, for example, were a high-speed grinder/sander kit designed for auto-body refinishing and other jobs. Aimed at a more experienced DIYer, the item, which also features a backing pad, safety wheel guard and two sanding discs, carries a $78.82 price tag.

On a more basic note, the chain also brought in a line of floor mats which carry price tags ranging from $5.94 to $15.84.

Ardan's, too, increased its automotive mix, giving the category two more pages than it did a year ago when automotive merchandise covered 11 pages.

New items in the mix include a $39.97 miniature air compressor which plugs into a car lighter, a digital clock which mounts on the dashboard for $14.97, and a calculator/visor kit priced at $17.97 which is designed to clip on overhead visors.

Moving ahead on its basics program, Sam Solomon added three sku's of bottle jacks to its 1982 catalog and a Black & Decker sparkplug cleaner, inflator and vacuum. The showroom chain also added a line of quartz halogen spotlights priced from $7.97 to $26.94.

Spruce-up Trend, New Boxes Aid Seat-Cover Biz

High sticker prices on new-model cars are pushing up sales of accessory items such as seat covers.

Buyers report that motorists are seeking to spruce up their old cars' interiors, as they keep their autos longer.

A Woolco spokesman noted a change in seat-cover packaging that led to increased sales. "Seat covers are now packaged in boxes rather than bags, and the result is a more attractive store display," he said.

The chain will also be dropping high-end nylon and vinyl seat covers from its merchandise mix and will emphasize the lower-priced (around $18) Indian blanket-look covers.

PMA®

PRODUCT MOVEMENT AUDIT

Dept. Is Healthy As Drivers Do Bigger Repairs

By Herb Rechter
President,
Allied Accessories and Auto Parts Company

The results of the last few months proved that car owners have branched out from undertaking simple maintenance jobs like oil changes and are now tackling more sophisticated repairs. As a result anything that increases the operating efficiency of a vehicle or extends its life is destined for success, while appearance and other nonessential items are bound for a lower spot on the Product Movement Audit.

More people decided to save money this fall by doing their own simple car repairs and routine maintenance duties as the ever increasing do-it-yourself trend continued.

In the PMA for September, basics such as oil filters and gas additives once again were near the top of the chart. After a somewhat mild winter last year, weather forecasters predict this winter will be more severe, so many motorists are beginning to prepare their cars for the upcoming cold months.

Among the top 10 dollar producers there was only one promotional item, the Touchtone 80 musical horn, which could not be considered a basic item needed for a repair. The horn ranked third this time, with 636 units carrying an average retail of $63.99, a marked improvement from the previous PMA when it ranked 42nd on the list with only 180 units moved.

Motorcraft oil filters headed the list, followed by regulars such as A. C., Gumout, Armor All, Pennzoil and Snowhite. For the first time since March the two-ton hydraulic floor jack did not appear in its customary position at the top of the chart. It did place second, however, with 1,840 units moved. The jack benefited from a heavy promotion campaign by almost all of our customers, and was a product that directly benefited from consumer demand for DIY products.

Waxes and polishes were replaced by maintenance products such as mufflers and antifreeze on the September PMA. Motorists are gearing up for the winter months, as evidenced by the 10th-place showing of the fresh-water system antifreeze, which did not even appear on August's PMA. Thrush mufflers don't appear near the top of the PMA, but they have continued to show strong growth as a body repair item. If total muffler sales were combined, the resulting $48,001.98 dollar movement on the strength of 3,002 units sold would have them above the musical horn as the third top dollar volume item on the chart.

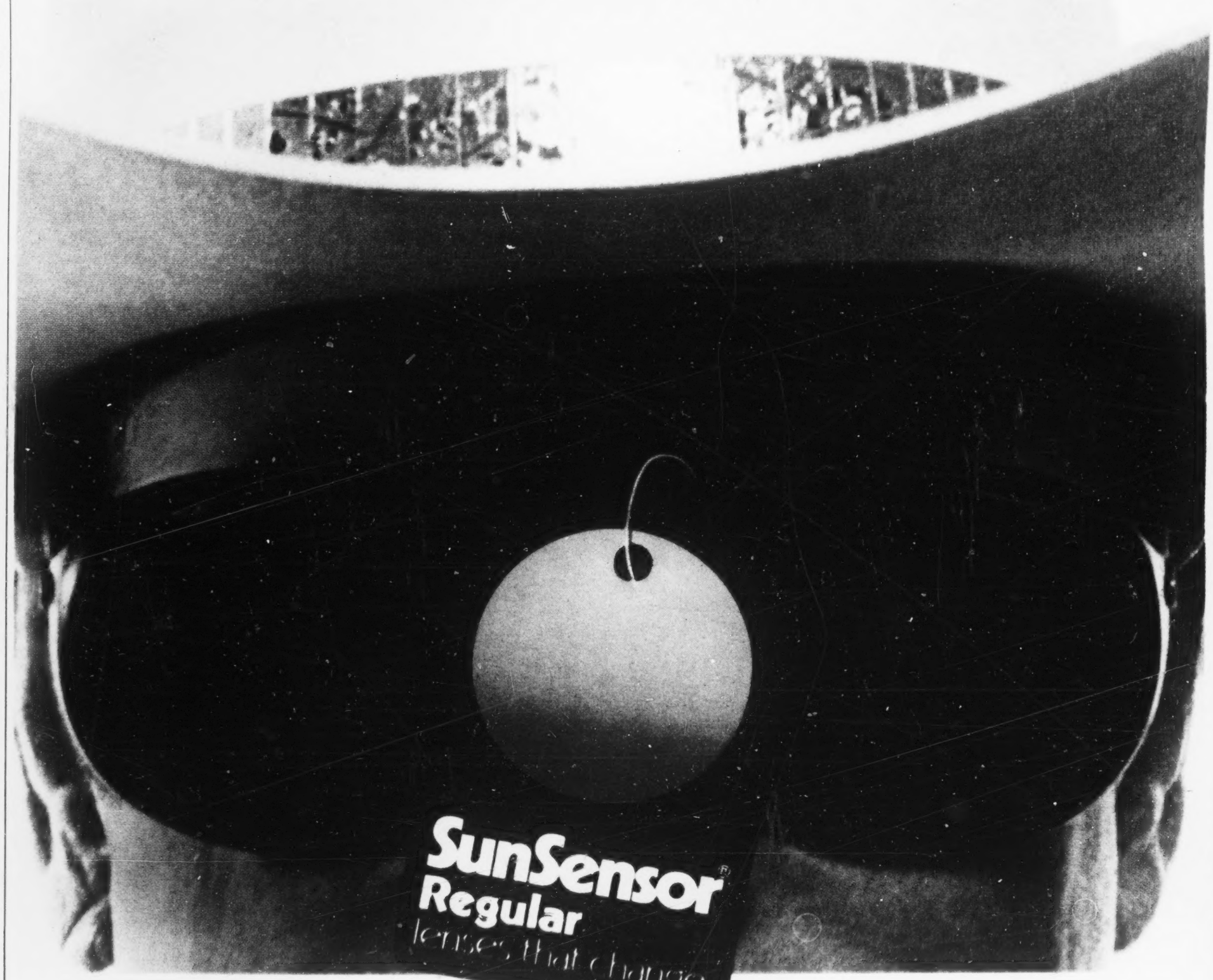
(Continued on page 24)

AUTOMOTIVE

These automotive PMA figures for the month of September, supplied by Allied Accessories and Auto Parts Co., Madison Heights, Mich., cover 2,000 stores including 1,700 discount stores in 33 states. Average retail prices listed by the distributor reflect typical price points for discount clients.

Curr. $ Rank	Prev. $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	9	FL-1A Mocraft oil ftr	53,560	3.99	213,704.40
2	1	2-ton hydraulic floor jack	1,840	69.99	128,781.60
3	42	80 Touchtone 80 musical horn	636	63.99	40,697.64
4	13	PF-25 A.C. oil filters	8,354	3.99	33,332.46
5	17	7450 Gumout jet spray 13-oz.	12,682	2.39	30,309.98
6	24	6014 Sealed beam, large round	9,047	3.29	29,764.63
7	3	10080 8-oz Armor All	8,998	3.29	29,603.42
8	11	Pennzoil deluxe 10W40	21,450	1.29	27,670.50
9	12	3431 Snowhite lit'n'easy gal	2,091	12.99	27,162.09
10	—	Fresh-water sys antifreeze gal	4,915	4.99	24,525.85
11	39	10160 16-oz Armor All	3,263	6.99	22,808.37
12	14	S257 Fix a Flat tire inflator	17,397	1.29	22,442.13
13	44	Quaker State deluxe 10W40	16,965	1.29	21,884.85
14	27	TP51 Sandable pri gray	12,199	1.79	21,836.21
15	4	1015-24 STP oil treatment, 15 oz	9,782	2.19	21,422.58
16	97	AS107 Prest super flush pk 12	7,104	2.99	21,240.96
17	19	Warco Dot brake fluid 12 oz	13,914	1.49	20,731.86
18	28	C-16 Bars Leak 15 oz	19,834	1.89	20,476.26
19	52	RR16 Roberk wiper blade refill	9,340	2.19	20,454.60
20	79	LR-81 1-pc auto ramp pair	876	21.99	19,263.24
21	18	EB-1 Gunk aerosol	9,623	1.99	19,149.77
22	—	2239C641 Coleman air compres	387	47.95	18,556.65
23	10	0245 Dup Rain Dance	3,348	5.49	18,380.52
24	70	TAM77 Rubberized undercoat	6,335	2.89	18,308.15
25	32	TP52 (TW520) sandable prim red	10,029	1.79	17,951.91
26	—	BC812 (C1012AS) 12-ft B cable slvd	2,435	7.29	17,751.15
27	25	Warco Dot brake fluid qt	4,479	3.89	17,423.31
28	54	R-6 Bars Leak 5½ oz. (175)	13,151	1.29	16,964.79
29	30	Pennzoil all-purpose 10W30 (50)	13,190	1.24	16,335.60
30	—	7518 Gumout carb clean 12 oz	9,936	1.59	15,798.24
31	60	13040 Armor All 4 oz	7,967	1.89	15,057.63
32	40	3305 Snowhite lite-n-easy qt kit	3,492	4.29	14,980.68
33	57	DR1976 GM 8 cy dist cap	2,791	5.29	14,764.39
34	29	1157 Auto bulbs 2 on a card	16,574	0.89	14,750.86
35	15	National all-purpose 10W30 1200	18,768	0.77	14,451.36
36	99	R45TS A.C. spark plug	10,320	1.39	14,344.80
37	80	LF-1 Lee oil filter	4,212	3.39	14,278.68
38	26	500 Westleys bleach white 20 oz	7,426	1.89	14,035.00
39	62	WD-40 aerosol 9 oz	6,357	2.19	13,921.83
40	7	BP25 Blue Poly liq sealant 16 oz	1,392	9.99	13,906.08
41	81	PF-40 A.C. oil filters	3,456	3.99	13,789.44
42	95	RR18 Roberk wiper blade refill	6,216	2.19	13,613.04
43	—	Plastic bot gas-line freeze	27,405	0.49	13,428.45
44	38	141 Valvoline 10W40	11,279	1.19	13,422.01
45	—	SE 86 6AMP battery charger	445	29.99	13,345.55
46	80	LF-1HP Lee Maxi oil filter	3,420	3.89	13,303.80
47	48	T-3163 Thrush muffler (160)	831	15.99	13,287.69
48	49	100QR Rislone oil alloy 32 oz	5,795	2.29	13,270.55
49	91	6052 Sealed beam large square	1,610	7.99	12,863.90
50	—	S615 Snap aero undercoat 20 oz	8,001	1.59	12,721.59
51	34	T-4163 Thrush muffler (160)	794	15.99	12,696.06
52	8	T-222SUP HD Shell pst-kit 14 oz	3,262	3.89	12,689.18
53	—	AS400 Brake fluid 12 oz	6,957	1.79	12,453.03
54	10	0241 Dup Rain Dance liq 16 oz	2,268	5.49	12,451.32
55	83	National 10W40 motor oil qt	14,231	0.87	12,380.97
56	89	TP50 (TW500) Sandable prim blk	6,889	1.79	12,331.31
57	88	TK175 GM 8 cy tune-up kit	3,057	3.99	12,197.43
58	78	347 Valvoline Dexron A.T.F. qt	10,224	1.19	12,166.56
59	45	T-5163 Thrush muffler (L60)	753	15.99	12,040.47
60	—	LF-25 Lee oil filter	3,215	3.69	11,863.35
61	43	4111-12CD-2 Black LO 15 oz	5,388	2.19	11,799.72
62	82	TAM-66 undercoating	4,988	2.29	11,422.52
63	—	TK237 GM combo tune-up kit	2,282	4.99	11,387.18
64	47	Quaker State sup blnd 10W30	9,115	1.24	11,302.60
65	13	PF-35 A.C. oil filter	2,832	3.99	11,299.68
66	68	101-2 Delco 8 cyl tune-up kit	1,592	6.99	11,128.08
67	—	4000 Sealed beam low round	3,974	2.79	11,087.46
68	6	BP30 Blue Poly paste seal 16 oz	1,100	9.99	10,989.00
69	—	LF-25HP Lee Maxi oil filter	2,747	3.99	10,960.53
70	65	PF-30 A.C. oil filters	2,711	3.99	10,816.89
71	39	30160 16-oz Armor All cleaner	4,711	2.29	10,788.19
72	64	Peak antifreeze gal	2,160	4.99	10,778.40
73	—	4652 Sealed beam low square	2,128	4.99	10,618.72
74	—	5488 8mm Lil Custome wire set	700	14.99	10,493.00
75	—	29438 8 RBL15Y4 Champ spk plug	929	11.29	10,488.41
76	—	0861 Dupont rub comp 12 oz	5,832	1.79	10,439.28
77	85	101-1 GM uniset OEM	6,737	8.99	10,077.79

(Continued on page 24)



The lone gainer.

SunSensor® lenses by Corning. The only major brand gaining unit sales in today's sunglass market. The most profitable sunglasses you can sell.

Heavily supported by television advertising starring masked man Clayton Moore. "Hi-yo- Silver and greenbacks, away!"

AUTOMOTIVE

(Continued from page 23)

Curr. $ Rank	Prev. $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
78	—	R540 Aerosol starting fluid	9,186	1.09	10,012.74
79	61	T-3162 Thrush muffler (160)	624	15.99	9,977.76
80	—	PH8A Fram oil filter	2,750	3.59	9,872.50
81	—	JS-15 1½ Jack stand	1,966	4.99	9,810.34
82	—	2710 7mm Lil Custome wire set	693	13.99	9,695.07
83	—	29353 8/RBL15Y Champ spk plug	854	11.29	9,641.66
84	—	T18 200PSI Aer comrsr w gauge	214	44.95	9,619.30
85	—	PSFYale power strg fluid 14 oz	6,384	1.49	9,512.16
86	—	PF-47 A.G. oil filters	2,280	3.99	9,097.20
87	40	3433 Snowhite lit-n-easy filr qt	2,376	3.79	9,005.04
88	—	2160 7mm Lil Custome wire set	815	10.99	8,956.85
89	—	SST19 3 Sect antenna w booster	1,120	7.99	8,948.80
90	—	29754 8/RN12Y Champ spk plug	791	11.29	8,930.39
91	—	2048-24 STP gas treatment 8 oz	7,486	1.19	8,908.34
92	52	RWB 16 16-in Roberk wiper blades	4,047	2.19	8,862.93
93	33	4101-12CD-2 Red hi 15 oz	4,044	2.19	8,856.36
94	—	AFL-91 Lee air filters	1,654	5.29	8,749.66
95	—	54W03 GE glass seal	3,371	2.59	8,730.89
96	—	29452 8/RBL13Y Champ spk plug	772	11.29	8,715.88
97	—	10010 8/26 Autolite spk plug BP	807	10.79	8,707.53
98	75	G2 Foot pump with gauge	791	10.99	8,693.09
99	—	SST14 3-sect spring base ant	1,072	7.99	8,565.28

ShopKo's Earnings Rise 60% in Qtr.

GREEN BAY, Wis.—ShopKo achieved a profit increase of nearly 60% for the second quarter of its current fiscal year, helping parent Super Valu to a total earnings increase of 22% for the quarter.

Sales at Super Valu for the 12 weeks ended Sept. 12, 1981, were $1.07 billion, up 15% from year-before sales of $929.3 million for the quarter. Earnings were $13.4 million for the quarter, up from the year-before's $11.6 million in the same period. Super Valu does not break out figures for ShopKo in its reports.

For the first half of the fiscal year, Super Valu's sales were $2.4 billion, a 16% increase from the year-before's $2.1 billion in first-half sales. Earnings for the first half were $31.5 million,

In Clover's newest store in Cheltenham, Pa., each automotive department gondola run is marked by a sign describing major items that are located on the shelves. *(DSN photo)*

NO NEED TO TIE-UP HIGH-PRICED PERSONNEL ALL DAY.
Our new CPC-175 studio tape player/recorder ends the problem of having to have key personnel tied up delivering selling messages throughout the day.
With this one unit, your messages can be recorded and automatically programmed throughout the day. Without annoying customers by breaking into the middle of a music selection as some competitive systems do. Best of all, this one unit costs less than competitive two-unit systems.
The CPC-175 provides great high fidelity sound. Permits manual interruption for special or urgent messages. Allows review of taped messages without interfering with normal operation. And carries the exclusive Customusic 2-year warranty on solid state components.
If you're looking for a medium that delivers both the music and the message, get the new all-in-one from Customusic. The CPC-175 Studio. It's like having a deejay in the house.
Customusic, Rowe International, Inc., 888 Rear Providence Highway, Dedham, MA 02026. (617) 326-4446
CUSTOMUSIC

PMA®

PRODUCT MOVEMENT AUDIT

Dept. Is Healthy

(Continued from page 23)

Tune-up equipment showed a welcome revival in the current PMA with the TK175 CM eight-cylinder tune-up kit, the GM combo tune-up kit and a Delco eight-cylinder tune-up kit all improving their positions. Electronic ignitions have been standard on most cars since 1975, making for a deteriorating market for standard tune-up equipment. Electronic systems filled the void, however, and most dealers expect sales to pick up as consumer sophistication with electronics increases.

Along with tune-up kits, wire sets also found acceptance with motorists. The 8mm Lil Custome Wire Set, after being off the previous chart, placed 74th, with 700 units sold at the average retail price of $4.99.

Wire sets were items that previously were popular when motorists had cars with standard ignition systems and bordered on obsolescence with the advent of the more advanced electronic systems. Now that many motorists have been forced to hold on to their older model cars longer because of the prohibitive price points on the newer models, traditional wire sets have regained their former popularity.

In the motor oil category name brands such as Pennzoil and Quaker State regained their dominance over National, a Midwestern regional brand which slipped to 35th place, down 20 places since the previous PMA. Pennzoil's deluxe 10W40 held the 11th position with a total dollar movement of $27,670.50 and Quaker State was found in 13th place with its deluxe 10W40 brand.

A seasonal item which is proving very popular with motorists is the TAM rubberized undercoating. Dealers report that many new cars do not come with undercoating, so many motorists are undercoating their cars themselves. The current chart reflects this product's popularity as TAM products placed 24th and 62nd on the list with 6,335 and 4,998 units sold, respectively.

Traditional waxes and the polymer products showed an expected decline in sales as motorists were more concerned with getting their cars' performance ready for winter. DuPont's Rain Dance was the only wax to place in the top 25 spots on the chart, with a 23rd-place finish on the strength of $18,380.52 total dollar movement.

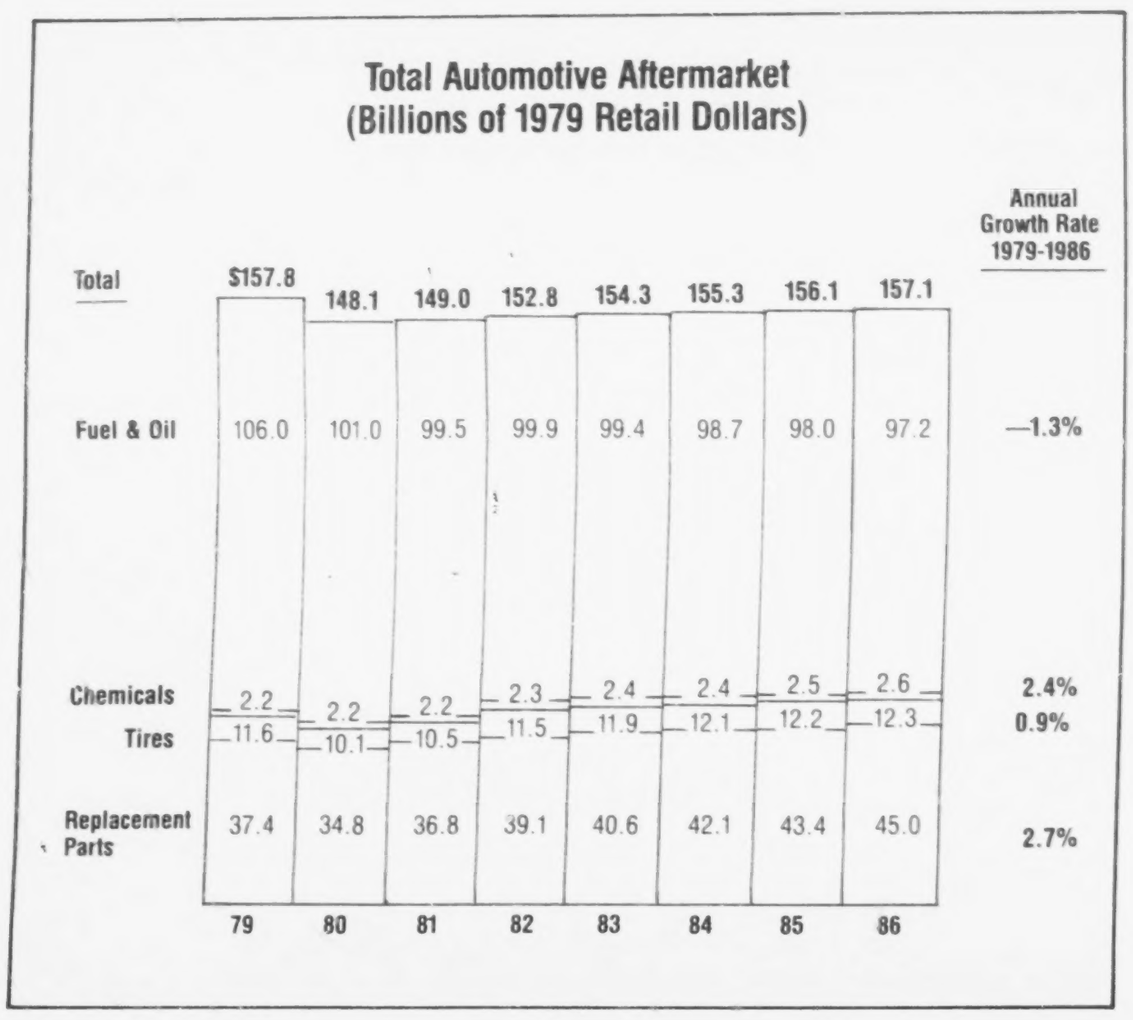
Gaylords Reduces Losses by $154,000

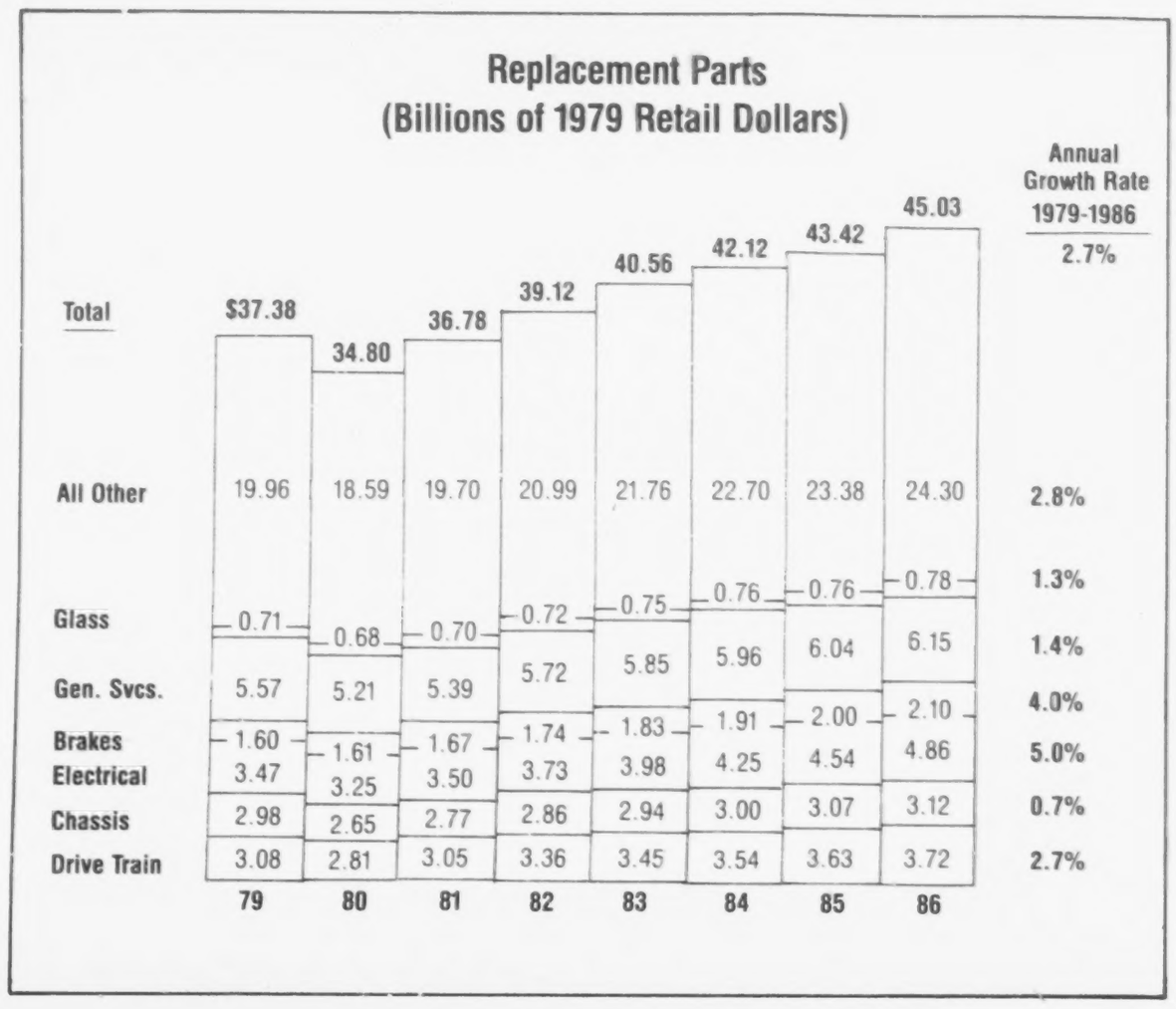
SECAUCUS, N.J.—Gaylords National's sales improved 4.1% to $52,485,000 for the six months ended Aug. 1, compared to $50,387,000 for the period a year ago. The company had losses of $975,000 compared to $1,129,000 for the same time span in the previous year.

Sales for the second quarter were $27,108,000, 2.3% higher than the previous quarter sales of $26,485,000. The second quarter loss was $638,000, compared to $594,000.

APAA *Show*

AMRC Sees Top Biz Growth Rate For Electrical, Brake Replacement





Electrical and brake replacement parts, air filters, appearance products and maintenance chemicals will maintain the strongest annual retail dollar sales growth rates in the automotive aftermarket through 1986, according to a forecast prepared by the Automotive Market Research Council (AMRC).

AMRC's forecast for the total aftermarket from 1979 to 1986 shows replacement parts and chemical categories with annual growth rates of 2.7% and 2.4%, respectively, while negative growth rates of −1.3% and less than 1% are forecast for the fuel and oil and tire categories.

Electrical and brake segments are shown as leaders in the parts market, expected to achieve 5% and 4% growth annually. Air filters, in a subcategory—replacement filter—will achieve 5.8% in growth.

AMRC forecasts that air filters' share of the filter market will rise from 29% in 1979 to 35% in 1986, while the oil-filter market share will drop from 54% in 1979 to 48% in 1986.

In another subcategory of replacement parts, sparkplugs in general service will have a negative growth of −2.2%, which AMRC attributes to the influence of downsizing of engines from 8-cylinder to 6- and 4-cylinder.

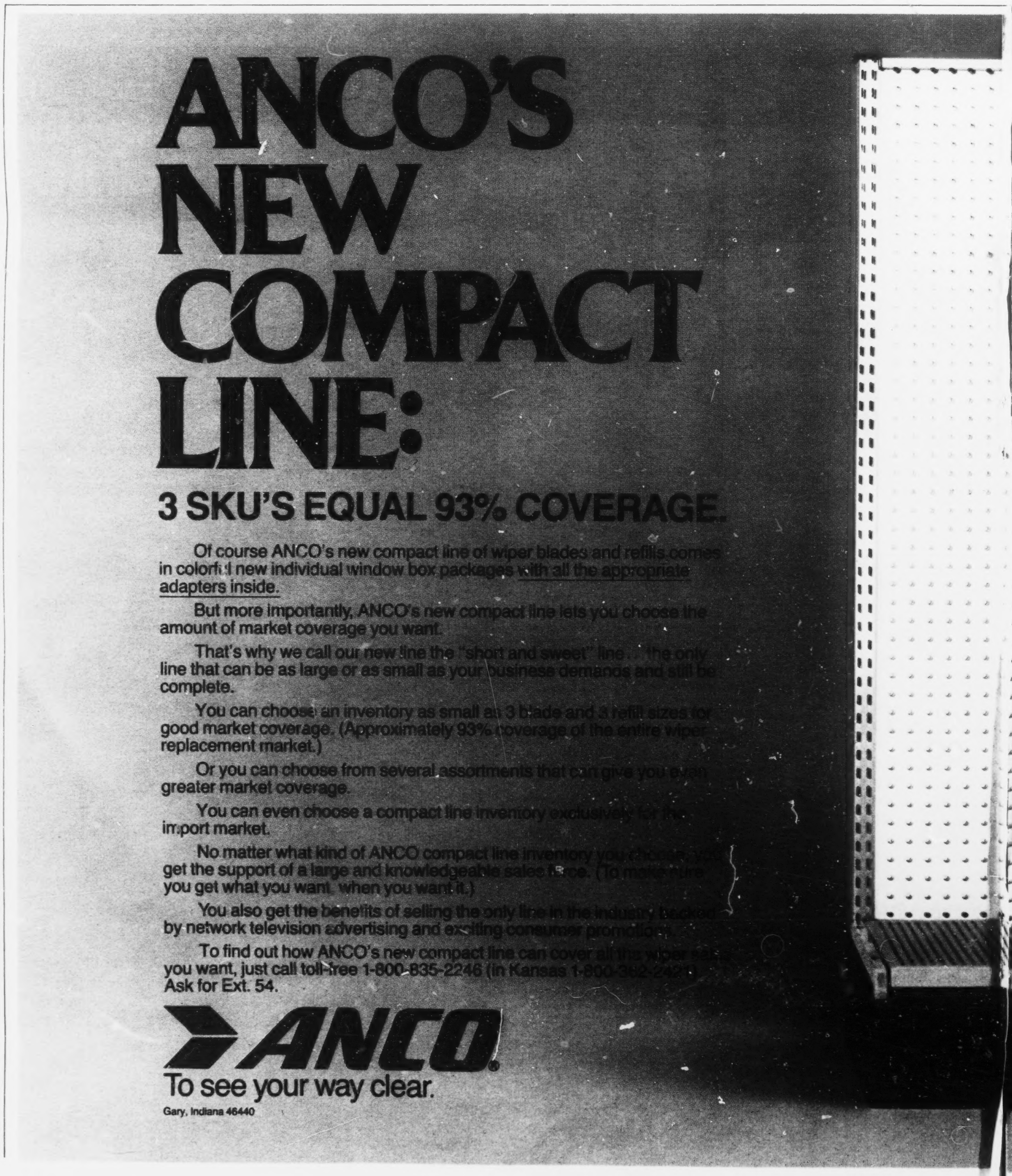
The parts category as a whole will increase in retail dollar volume by 22% through 1986. Although sales for 1980 fell below those in 1979 by 7%, 1981 marked an uptrend.

Appearance products—waxes, polishes, cleaners, paints and body repair chemicals—will experience a 4.4% annual growth to highlight chemicals. Maintenance chemicals, including additives for the engine and fuel, engine and

(Continued on page 31)

Youth Award Goes To Allied's Rechter

CHICAGO—Herbert L. Rechter, president of Allied Accessories and Auto Parts Co., Madison Heights, Mich., was honored last month by the B'nai B'rith Youth Services at its American Traditions dinner-dance at the Hyatt Regency-Chicago.


ANCO'S NEW COMPACT LINE:
3 SKU'S EQUAL 93% COVERAGE.
Of course ANCO's new compact line of wiper blades and refills comes in colorful new individual window box packages with all the appropriate adapters inside.
But more importantly, ANCO's new compact line lets you choose the amount of market coverage you want.
That's why we call our new line the "short and sweet" line. . . the only line that can be as large or as small as your business demands and still be complete.
You can choose an inventory as small as 3 blade and 3 refill sizes for good market coverage. (Approximately 93% coverage of the entire wiper replacement market.)
Or you can choose from several assortments that can give you even greater market coverage.
You can even choose a compact line inventory exclusively for the import market.
No matter what kind of ANCO compact line inventory you choose you get the support of a large and knowledgeable sales force. (To make sure you get what you want, when you want it.)
You also get the benefits of selling the only line in the industry backed by network television advertising and exciting consumer promotions.
To find out how ANCO's new compact line can cover all the wiper sales you want, just call toll-free 1-800-835-2246 (in Kansas 1-800-362-2421). Ask for Ext. 54.
ANCO
To see your way clear.
Gary, Indiana 46440

APAA Show

Parts; Air Filters; Appearance Products and Maintenance Chemicals

Automotive Chemicals (Millions of 1979 Retail Dollars)

	79	80	81	82	83	84	85	86	Annual Growth Rate 1979-1986
Total	$2,156	2,184	2,235	2,298	2,359	2,419	2,485	2,552	2.4%
Functional Fluids	1,031	1,013	1,022	1,038	1,052	1,063	1,077	1,101	0.9%
Maintenance Chemicals	630	650	671	694	717	741	766	792	3.3%
Appearance Products	495	521	542	566	590	615	642	669	4.4%

Replacement Filters (Millions of 1979 Retail Dollars)

	79	80	81	82	83	84	85	86	Annual Growth Rate 1979-1986
Total	$2,010	1,984	2,062	2,176	2,248	2,319	2,387	2,462	2.9%
Air	590	633	656	694	725	774	826	876	5.8%
Oil	1,084	1,027	1,057	1,116	1,146	1,157	1,161	1,174	1.5%
Others	336	332	349	366	377	388	400	412	3.0%

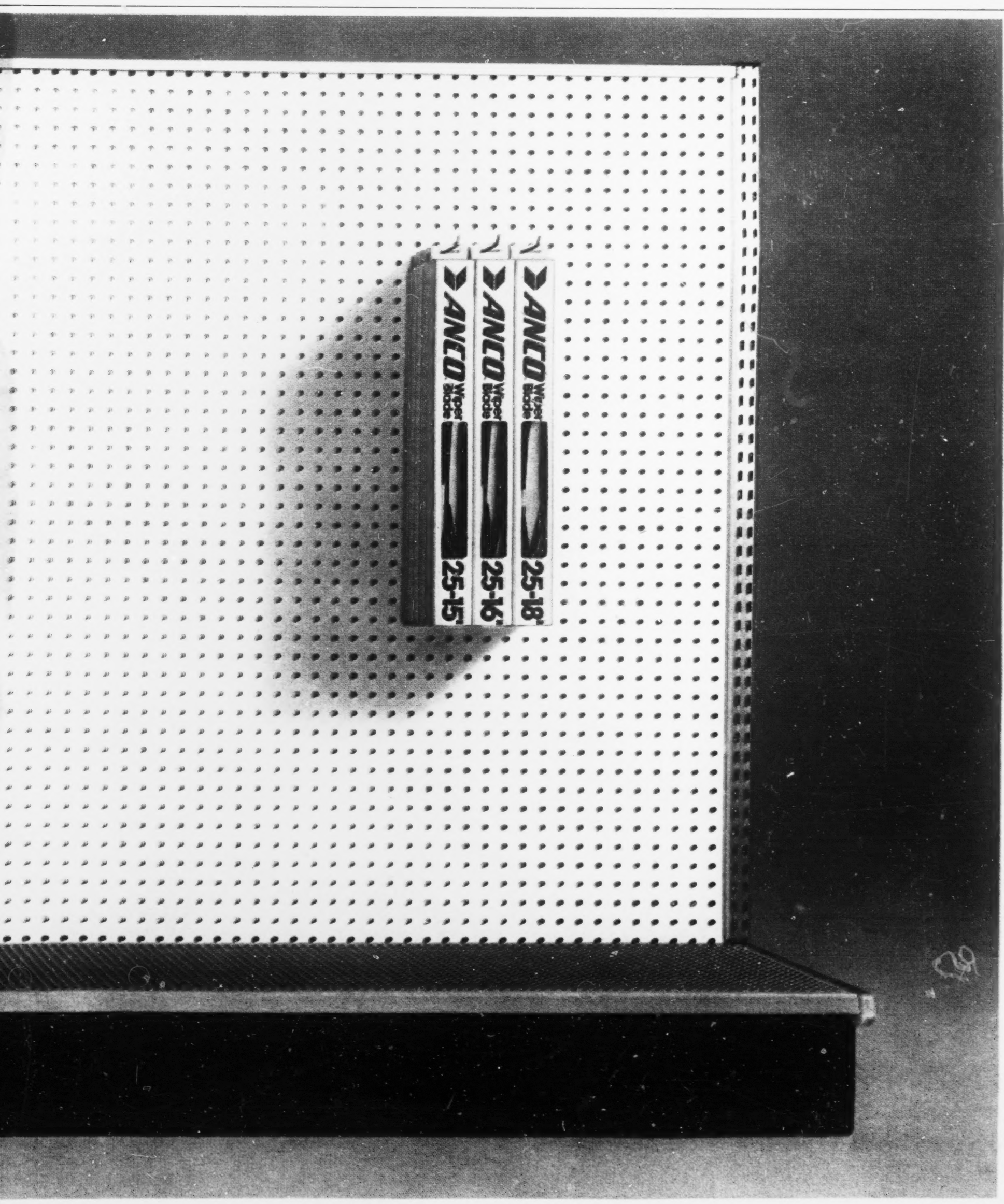
Replacement Tires (Billions of 1979 Retail Dollars)

	79	80	81	82	83	84	85	86	Annual Growth Rate 1979-1986
Total	$11.60	10.13	10.51	11.52	11.93	12.09	12.24	12.34	0.9%
Passenger Car & Motorcycle	6.93	6.07	6.25	6.63	6.88	6.91	6.96	7.01	0.2%
Truck, Farm, Industrial & Utility	4.67	4.06	4.26	4.89	5.05	5.18	5.28	5.33	1.9%

General Service (Millions of 1979 Retail Dollars)

	79	80	81	82	83	84	85	86	Annual Growth Rate 1979-1986
Total	$5,573	5,208	5,368	5,721	5,846	5,957	6,040	6,148	1.4%
Spark Plugs	969	806	874	888	869	847	842	827	– 2.2%
Filters	2,010	1,984	2,062	2,176	2,248	2,319	2,387	2,462	2.9%
Batteries	2,594	2,418	2,452	2,657	2,729	2,791	2,811	2,859	1.4%

Source: Automotive Market Research Council (AMRC)



(Continued from page 30)

parts cleaners and degreasers and windshield washes, will experience steady growth at 3.3% annually. Meanwhile, functional fluids—antifreeze, automatic transmission fluid, brake fluid, lubricating greases and sealers—are expected to achieve less than 1% annual growth.

AMRC attributes practically nil growth (0.2%) in passenger car tires to increased use of radials and all-season tires. Other segments of the tire market, including truck, farm, industrial and utility tires, are expected to have a 1.9% annual growth.

Clean Air Act Proviso Is Hit

WASHINGTON—The Automotive Parts and Accessories Association, testifying before the House Health and Environment Subcommittee, maintained that active enforcement of the five-year/50,000-mile warranty section of the Clean Air Act will upset the competitive balance that exists is a free marketplace.

The association believes that all warranties should be rolled back to 12 months/12,000 miles in all 50 states.

Merle Krantzman, chairman of the APAA's Government Affairs Committee, said that one major problem is that when a motorist takes his car in for an emission inspection and fails because of a high hydrocarbon or carbon monoxide reading, he has no way of knowing what part or parts have caused that failure. Krantzman called this anticompetitive impact the "artificial distortion of competition."

The association concluded that the 12-month/12,000-mile warranties applicable in all 50 states, coupled with appropriate exercise of recall authority, will protect air quality standards and properly place the burden of repairing defects on manufacturers for a reasonable period of time. The new warranty would also allow an adequate consumer remedy in those cases where latent defects are uncovered after the warranty period, and all without artificially distorting the competition between original equipment manufacturers and the aftermarket companies.

PMA®

PRODUCT MOVEMENT AUDIT

Economy Cuts New-Item Biz In Housewares

By Harold Rubin
President,
HalMar Inc., Distributors

The uncertain economy has discount store and other housewares retailers tightly monitoring their inventory investments, resulting in only five new items appearing on the latest PMA report.

The dearth of innovative new housewares, along with limited ad commitments by manufacturers during the first three quarters of the year, has also played an important role in discounters' reluctance to invest heavily in new items.

The five new housewares

(Continued on page 43)

HOUSEWARES

These nonelectric housewares figures for Jan. 1-Sept. 30, supplied by HalMar Inc., distributors, Holyoke, Mass., cover more than 500 stores, including 400 full-line discount stores from New England to the Carolinas. Average retail prices reflect typical price points for discount clients.

TABLETOP

Curr. $ Rank	Prev. $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	3	Corelle 16-pc set, green	16,533	31.49	520,624.17
2	2	Corelle 16-pc set, Woodland	15,548	31.49	489,606.52
3	1	Corelle 16-pc set, gold	13,348	31.49	420,328.52
4	5	Expressions, 20-pc st, Indn Smmr	4,458	63.89	284,821.62
5	4	Expressions, 20-pc set, Wildflower	4,277	63.89	273,257.53
6	6	Expressions, 20-pc set, Strawberry	3,516	63.89	224,637.24
7	8	Expressions 20-pc set, Meadow	3,450	63.89	220,420.50
8	7	Dimension IV 16-pc set, Cinnamon	5,582	38.69	215,967.58
9	9	Corelle 16-pc set, blue	6,035	31.49	190,042.15
10	10	Dimension IV 16-pc set, Citrus	2,981	38.69	115,334.89
11	12	Corelle 16-pc set, white	3,267	29.69	96,997.23
12	11	Dimension IV 16-pc set, Almond	2,407	38.69	93,126.83
13	13	Corelle 20-pc set, Woodland	1,347	38.69	52,115.43
14	—	Corelle Traditions, 20-pc st, Hrvst	1,085	47.69	51,743.65
15	—	Corelle Traditions, 20-pc st, Spc	981	47.69	46,783.89

GLASSWARE

Curr. $ Rank	Prev. $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	2	Anchor Hocking 24-pc st, Nwprt gld	3,528	12.59	44,417.52
2	—	Anchor Hocking 40-pc st, Entrtnrs	1,667	26.09	43,492.03
3	1	Anchor Hocking 24-pc st, Nwprt Crystl	3,282	12.59	41,320.38
4	3	Anchor Hocking 24-pc st, Shrwd Brwn	3,325	12.14	40,365.50
5	4	Anchor Hocking 24-pc st, Shrwd Crstl	3,210	12.14	38,969.40
6	5	Anchor Hocking Snoopy bank	18,472	1.70	31,402.40
7	8	Libbey 12-oz bev, Oriental, 8-pc	2,525	9.89	24,972.25
8	12	Anchor Hocking 11-pc tbl srvc, prct	1,797	12.59	22,624.23
9	11	Anchor Hocking 7-pc tbl srvc, prct	2,274	9.89	22,489.86
10	10	Libbey 12½-oz, bev, Brkshr, 8-pc	2,046	10.52	21,523.92
11	6	Anchor Hocking 10½-oz mg, Stwby	13,327	1.61	21,456.47
12	-	Anchor Hocking 16-pc st, Bamboo	1,390	15.29	21,253.10
13	14	Anchor Hocking 12-oz bev, Roses	4,759	4.22	20,082.98
14	9	Libbey 12-oz red wine, Citation	3,061	6.11	18,702.71
15	—	Anchor Hocking 4" ashtray, gold	22,251	0.80	17,800.80

COOKWARE

Curr. $ Rank	Prev. $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	1	Ekco 13" oblong ck pn, Bkr's Scrt	15,744	3.41	53,687.04
2	8	Ekco 17¼" ckie sht, Bkr's Scrt	11,735	3.86	45,297.10
3	3	Ekco 12-cp mffn pn, Bkr's Scrt	9,901	4.13	40,891.13
4	4	Ekco 15¼" ckie sht, Bkr's Scrt	10,452	3.41	35,641.32
5	5	Ekco 14½" roast pn, Bkr's Scrt	6,598	4.67	30,812.66
6	7	Ekco 9¼" loaf pn, Bkr's Scrt	8,608	3.05	26,254.40
7	6	Ekco pizza pan, Baker's Secret	7,455	3.41	25,421.55
8	8	Ekco 17¼" cookie sheet	10,236	2.42	24,771.12
9	—	Anchor Hocking microwave bcn rck	3,273	6.83	22,354.59
10	10	Ekco 13¼" ckie sht, Bkr's Scrt	7,751	2.69	20,850.19
11	9	Ekco 6-cup muffin pn, Bkr's Scrt	5,705	3.41	19,454.05
12	—	Mirro 9-cup percolator	2,501	7.73	19,332.73
13	11	Nordic Ware 12-cp bndt pn, gld	2,409	7.64	18,404.76
14	—	Ekco 13" roasting pn, Bkr's Scrt	8,832	2.06	18,193.92
15	12	Ekco 10¾" bsct brwn pn, Bkr's	6,631	2.69	17,837.39

PLASTICS

Curr. $ Rank	Prev. $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	1	Fesco 32-gal Bruiser trash can	1,260	20.69	26,069.40
2	2	Fesco 22-gal Bruiser trash can	1,722	14.39	24,779.58
3	—	Lerner large sweater box	2,668	6.11	16,301.48
4	8	Republic 1-qt uprite freezette	4,493	2.96	13,299.28
5	10	Republic 1-pt uprite freezette	4,399	2.96	13,021.04
6	4	Lustro-Ware 11-qt round decanter	6,304	1.97	12,418.88
7	3	Travco spaghetti server	9,541	1.16	11,067.56
8	14	Eagle 44-oz oblong Superseal	5,943	1.79	10,637.97
9	11	Lustro-Ware 11-qt hy dty pl alumi	3,986	2.60	10,363.60
10	5	Foley nylon spatula	11,391	0.89	10,137.99
11	—	Deka Strawberry Shrtck mg	7,193	1.34	9,638.62
12	—	Lerner sweater box	2,094	4.49	9,402.06
13	—	Sterilite 2-qt rfrgrtr bttl	5,783	1.61	9,310.63

(Continued on page 43)

Up 'n' Coming

The following "New Products" chart lists items (and their rank) that are appearing on the HalMar PMA for the first time. The "High Risers" chart lists items (and their rank) that have moved up five or more places from the previously published audit.

Category/Items — **Rank**

NEW PRODUCTS

TABLETOP
Corelle Traditions, 20-pc st, Hrvst . . 14
Corelle Traditions 20-pc set, Spc . . . 15

PLASTICS
Deka Strawberry Shortcake mug . . . 11

BATH SHOP
Magnolia hi-rise tlt st, white 14

PYREX
9-in Pie plt w/cvr, Fireside 8

HIGH RISERS

GLASSWARE
Anchor Hocking 40-pc st, Entrtnrs . . 2
Anchor Hocking 4-in ashtray, gld . . . 15

COOKWARE
Ekco 17½-in ckie sht, Bkr's Scrt 2
Anchor Hocking mcrwve bcn rck . . . 9
Mirro 9-cup percolator 12
Ekco 13-in rstng pn, Baker's Secret . 14

PLASTICS
Lerner large swtr bx 3
Eagle 44-oz oblong Superseal 8
Lerner sweater box 12
Sterlite 2-qt rfrgrtr bottle 13

GADGETS
Mirro 3-qt colander 6
Foley 2-qt food mill 10
Comware 3-pc wd spn set 14

CLEANING & CHEMICALS
White Labs 160-oz X-14 mldw rmvr . 9
Scott 14-oz Liquid Gold aerosol 8
Texize 64-oz Fantastic rfll 15

BATH SHOP
Ekco 12-in twl br, chrm 12

RUBBERMAID
Delux dish drnr, almond 12
Twin snk dsh drnr, almond 14
24½-in hi Fliptop wstbskt, almond . . 15

CORNING WARE
2½ Oval cssrl, French White 7
Du-ette set, Spice 8
2½-qt Rnd cssrl, French White 11
10-in Pie plt, French White 12
Menu-ette st, Crnflwr 14

PYREX
2-qt Cssrl w/bskt 10
1-cup Liquid measure 11
1-pt Liquid measure 12
2-qt Oblong bake dish 14
1-qt Liquid measure 15

Your customers love us for our baby.

Wherever they appear, the familiar Gerber name and baby symbol evoke the same feeling of warmth and recognition among consumers...and one thing more...confidence that every Gerber product will meet their expectations.

Gerber®
General Merchandise

Recognized Brands & Total Programs to make your Baby Business Boom

HOUSEWARES

(Continued from page 42)

GADGETS

Curr. $ Rank	Prev. $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	2	Rhodes timer, white	5,796	7.64	44,281.44
2	1	Swing-A-Way portbl hnd can opener	10,340	3.86	39,912.40
3	3	Rhodes timer, gold	3,640	7.64	27,809.96
4	4	Ekco 3-Way can opener	17,816	1.52	27,080.32
5	5	Ekco can opener w bottle opener	28,311	0.89	25,196.79
6	—	Mirro 3-qt colander	3,721	5.30	19,721.30
7	7	Ekco 2⅛" barrel rolling pin	4,582	3.95	18,098.90
8	10	Ekco can opener, plastic handle	7,957	2.24	17,823.68
9	8	Ekco peeler	28,608	0.62	17,736.96
10	—	Foley 2-qt food mill	1,739	9.89	17,198.71
11	6	Ekco 8-wing egg beater	4,013	4.04	16,212.52
12	11	Bonny pastry brush	8,167	1.97	16,088.99
13	13	Range Kleen 6" reflector pan	6,261	2.51	15,715.11
14	—	Comware 3-pc wood spoon set	13,527	1.16	15,691.32
15	15	Gemco food chopper	6,540	2.33	15,238.20

CLEANING & CHEMICALS

Curr. $ Rank	Prev. $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	1	Johnson 14-oz Pledge, lemon	13,046	3.14	40,964.44
2	2	Texize 32-oz Fantastic refill	16,060	2.51	40,310.60
3	5	3M 16-oz Scotch Guard	6,133	5.39	33,056.87
4	9	White Labs 160-oz X-14 midw rmvr	8,834	3.14	27,738.76
5	3	Johnson 14-oz Wood Pledge	7,896	3.14	24,793.44
6	7	Drackett 26-oz Drano	6,324	3.50	22,134.00
7	4	Johnson 14-oz Pledge	6,878	3.14	21,596.92
8	13	Scott 14-oz Liquid Gold aerosol	4,786	4.31	20,627.66
9	6	Texize 32-oz Glass Plus w pistol	9,352	2.15	20,106.80
10	12	Johnson 27-oz Future	4,370	4.40	19,228.00
11	8	Drackett 10-oz Endust	5,088	3.77	19,181.76
12	14	Drackett 48-oz Vanish	7,631	2.51	19,153.81
13	10	Texize 32-oz Glass Plus, refill	10,237	1.70	17,402.90
14	14	Drackett 12-oz Vanish, automatic	8,000	2.15	17,200.00
15	—	Texize 64-oz Fantastic refill	4,560	3.50	15,960.00

BATH SHOP

Curr. $ Rank	Prev. $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	1	Magnolia molded toilet seat, wht	4,735	9.44	44,698.40
2	2	Selfix portable shower spray	3,251	8.95	29,096.45
3	3	Magnolia padded toilet st, wht	1,439	17.54	25,240.06
4	6	Selfix twin hooks, 2-pk	15,114	1.34	20,252.76
5	7	Selfix shampoo spray	9,579	1.97	18,870.63
6	4	Magnolia padded toilet seat, blk	1,020	17.54	17,890.80
7	5	Magnolia padded toilet seat, brn	956	17.54	16,768.24
8	8	Ekco 18" towel bar, chrome	7,364	2.24	16,495.36
9	9	Selfix toilet tissue holder	10,424	1.52	15,844.48
10	12	Ekco toilet tissue holder, chrome	6,344	2.15	13,639.60
11	15	Ekco 24" towel bar, chrome	5,166	2.60	13,431.60
12	—	Ekco 12" towel bar chrome	5,875	2.06	12,102.50
13	11	Selfix towel ring	7,817	1.52	11,881.84
14	—	Magnolia hi-rise toilet seat, wht	795	14.39	11,440.05
15	10	Magnolia square-back toilet seat	905	12.59	11,393.95

PYREX

Curr. $ Rank	Prev. $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	1	3-qt Oblong bake dish	12,266	5.21	63,905.86
2	4	2-qt Bake dish w basket, Fireside	6,368	8.99	57,248.32
3	3	3-qt Bake dish w basket	3,777	14.39	54,351.03
4	7	1½-qt Casserole w bskt, Frsd	6,061	8.09	49,033.49
5	6	2-qt Oblong bk dsh, Fireside	2,478	15.47	38,334.66
6	5	Bake, Serve & Store st, Wdlnd	2,639	14.21	37,500.19
7	9	8" Cake dish w bskt, Frsd	4,574	8.09	37,003.66
8	—	9" Pie plate w cover, Frsd	4,504	8.09	36,437.36
9	8	2-qt Casserole, Fireside	2,234	15.47	34,559.98
10	—	2-qt Casserole w basket	2,299	14.39	33,082.61
11	—	1-cup Liquid measure	15,523	2.06	31,977.38
12	—	1-pt Liquid measure	11,990	2.51	30,094.90
13	10	6-oz Custard cup	9,155	3.14	28,746.70

(Continued on page 45)

You'll love us for our programs.

Last fall, Gerber introduced a total promotion program to make instant brand recognition pay off for you as never before. Exciting promotions on Gerber nursers kicked off the program. But it doesn't stop there. Now, there's a program on Gerber infant shirts designed to keep your Baby Business Booming.

- **During the January-March period, Gerber introduces a new expanded line of infant shirts. Gerber now has *new shirt sizes*—newborn, small, medium and large—*new colors*—blue, maize and mint—and *new prints* as well as the traditional white shirts in the popular slip-on snap-side and sleeveless styles. 24 SKU's in all to give you complete coverage of the market and to satisfy virtually every customer need and preference. Of course, every Gerber baby shirt is 100% cotton, with controlled shrinkage.**
- **Generous off invoice and advertising allowances will boost your sales and profits on Gerber baby shirts.**
- **Gerber baby shirt packages will carry a powerful consumer offer: 50¢ off in-package coupon good towards the next purchase of two Gerber baby shirts. Eye-catching package flags will draw consumers for extra sales now and repeat purchases.**

Contact your Gerber Products representative today for details on how our Total Promotion Program can create a Baby Business Boom for you!

PMA®

PRODUCT MOVEMENT AUDIT

New-Item Biz

(Continued from page 42)

items that showed up on the audit for the nine-month period ended Sept. 30 included three from Corning Glass, denoting that manufacturer's ongoing efforts to maintain and expand its market.

This marketing plan of introducing new items, which is followed by few other housewares suppliers, means that Corning Glass already has new items in the pipeline before older products have even peaked, much less slid down in movement.

Corning Glass' three new items illustrate this marketing approach. Two, in the tabletop category, are the new line of Traditions 20-pc. dinnerware; one is in a new pattern, Harvest Home, while the other is in the Spice O' Life design that is a staple for Corning Ware cookware.

Earlier this year the manufacturer expanded its dinnerware offering by introducing more different-sized sets for the lines already in its mix, such as Corelle and Expressions.

The new Traditions line with its floral rim patterns, is designed to attract consumers who weren't interested in Corning's three other lines. As an added incentive for the new design, the highly popular Spice O' Life pattern found on cookware was included as one of the three styles to enable homemakers to coordinate their Corning Ware with the new dinnerware.

A similar marketing approach is evident for the vendor's new Pyrex product. The 9-in. pie plate in the amber-colored Fireside line was augmented with the addition of a plastic cover to give shoppers an added reason to purchase this bakeware item.

The two major glassware manufacturers, Anchor Hocking and Libbey, and Rubbermaid are among the few other vendors who pursue similar marketing programs of continually introducing new products to spur sales.

In Rubbermaid's case, the main interest is in the addition of new colors to offset the obsolescence of older hues. The current PMA shows the vendor's heavy commitment to the two colors added during the past two years—chocolate captured six listings, while almond showed up on four items.

Gold, which has been a staple neutral shade, accounted for three listings. White and blue were the colors for bath mats, one of the few products where these hues are still vital.

No new items showed up on the glassware chart despite the introduction of new designs by the major manufacturers. This situation reflected the reluctance of discounters to make large inventory commitments to any of the new patterns during the current unsettled economic times. Rather, chains are conducting limited tests of new designs in quantities that don't make them top sellers on the PMA.

The latest audit, as did previous reports, denoted the heavy demand for staple house-

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PRODUCT MOVEMENT AUDIT

New-Item Biz

(Continued from page 43)

wares.

The advent of the fall season has resulted in such seasonal housewares as Lerner sweater boxes (Nos. 3 and 12 on the plastics chart) and White Lab's X-14 mildew remover (No. 9 on the cleaning and chemicals report) making the PMA.

Ekco bakeware items dominated the cookware listing as homemakers are more interested in baking during the fall and into Christmas.

A Travco spaghetti server again made the plastics lists (No. 7) as this ethnic cookware item is important in many regional markets.

Only three items specifically tagged for microwave use made the report—an Anchor Hocking bacon rack as No. 9 on the cookware audit and a microwave browning grill and a microwave set as Nos. 6 and 10 on the Corning Ware audit.

Microwave ovens still haven't taken off in the Northeast, and the limited consumer interest for this cookware has resulted in slow sales—as compared to other sections of the country—for microwave cookware.

HOUSEWARES

(Continued from page 43)

CORNING'S RANGETOPPERS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	6-pc Rangetoppers set, Cornflower	640	62.09	39,737.60
2	6-pc Rangetoppers set, Spice	549	69.29	38,040.21
3	6-pc Rangetoppers set, Wildflower	524	69.29	36,307.96
4	10" Skillet, Spice	483	33.74	16,296.42
5	10" Skillet, Cornflower	490	31.49	15,430.10
6	5-qt Saucepot, Cornflower	348	33.74	11,741.52
7	5-qt Saucepot, Spice	288	35.99	10,365.12
8	10" Skillet, Wildflower	306	33.74	10,324.44
9	8½" Skillet, Cornflower	359	27.89	10,012.51
10	8½" Skillet, Spice	314	29.69	9,322.66
11	5-qt Saucepot, Wildflower	252	35.99	9,069.48
12	8½" Skillet, Wildflower	270	29.69	8,016.30
13	2½-qt Saucepan, Spice	236	26.72	6,305.92
14	1½-qt Saucepan, Cornflower	238	22.49	5,352.62
15	1½-qt Saucepan, Spice	242	19.79	4,789.18

RUBBERMAID

Curr. $ Rank	Prev. $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	1	10¾"-hi Rect Indry bskt, choc	7,949	5.21	41,414.29
2	2	10¾"-hi Rect Indry bskt, gld	6,179	5.21	32,192.59
3	3	10¾"-hi Rect Indry bskt, almnd	6,126	5.21	31,916.46
4	4	24½"-hi Flptp wstbskt, choc	4,132	7.55	31,196.60
5	6	Bath mat, white	9,841	2.96	29,129.36
6	5	22"-hi Covered wstbskt, choc	3,649	7.55	27,549.95
7	8	Bath mat, blue	8,824	2.96	26,119.04
8	7	11½"-dp Square dshpn, choc	8,986	2.87	25,789.82
9	9	Bathmat, chocolate	8,607	2.96	25,476.72
10	10	10¾"-hi Rect Indry bskt, yllw	4,713	5.21	24,554.73
11	12	Delux dish drainer, choc	4,152	5.66	23,500.32
12	—	Delux dish drainer, almond	3,839	5.66	21,728.74
13	14	5¼"-dp Dishpan, gold	7,507	2.87	21,545.09
14	—	Twin sink dish drainer, almond	4,469	4.76	21,272.44
15	—	24½"-hi Flptp wstbskt, almnd	2,796	7.55	21,109.80

CORNING WARE

1	5	3-pc French White set	3,108	38.69	120,248.52
2	1	Du-ette set, Cornflower	7,321	14.39	105,349.19
3	2	Sidekick	12,874	8.09	104,150.66
4	3	Casser-ette	11,713	7.55	88,433.15
5	4	Snack-It set	4,951	10.97	54,312.47
6	10	Microwave browning grill	2,023	24.74	50,049.02
7	—	2½-qt Oval cssrl, Frnch Wht	2,716	16.64	45,194.24
8	—	Du-ette set, Spice	2,199	17.99	39,560.01

Rangetoppers Gets Limited Acceptance

The Rangetoppers line has met with generally limited acceptance by retailers, including discounters, and consumers during Corning Glass' more than six months of distribution and promotion of its new line of top-of-stove cookware.

Manufacturer executives have acknowledged that the line's sales haven't been up to expectations. This is evident from the special Product Movement Audit report for Rangetoppers for the nine months ended Sept. 25, which shows minute unit or dollar movement as compared to either regular cookware or Corning Ware cookware.

The Rangetoppers audit's movement reflects initial orders and very limited reorders as discounters and other retailers noted little consumer demand for this higher-priced cookware.

Rangetoppers' higher retail price as compared to Corning Ware was cited by manufacturer executives as one of a number of problems they faced in marketing the new line.

The key consideration was differentiating Rangetoppers as top-of-stove cookware from Corning Ware, which consumers conceive primarily as in-stove cookware and bakeware.

Corning Glass hasn't been very successful in developing a unique cookware identity for Rangetoppers apart from being another part of the Corning Ware mix—and retailers' display of this cookware hasn't helped the manufacturer's marketing efforts.

Most retailers, including the preponderance of discounters that carry Rangetoppers, have included this cookware within the Corning Ware assortment, reinforcing the image of the line as being another Corning Ware product.

Corning Glass executives, when Rangetoppers was introduced, said the cookware was being positioned to compete with higher-priced, premium cookware such as Farberware and Revereware, and wasn't going to be marketed as part of the Corning Ware line.

The manufacturer's new ad program, set for the holiday sales period, will therefore attempt to establish a separate image for Rangetoppers by us-

(Continued on page 47)

ARE THE BIG NAMES IN BATTERIES TYING-UP YOUR PORTABLE LIGHTING PROFITS?

Names like Eveready, Duracell and Ray-O-Vac are big names in the battery business. But they're not the ones that will make you money in the portable lighting business.

To collar big profits in lighting, you need Dorcy, the company that knows lighting, specializes in lighting, and has the best portable lighting program in the business. With the fastest-moving SKU's for home, camping, work and play. And with a gross that's up to 20% higher and a volume potential nobody in batteries can touch.

Find out how our new Portable Lighting Program can help you track down a bigger share of year—round profits. Contact your Dorcy representative or write Ted Davis, President, 3985 Groves Road, Columbus, Ohio 43227. Phone 800-848-9090. In Ohio, call collect (614) 861-5830.

DORCY

ELECTRIC HOUSEWARES

These electric housewares figures, for Jan. 1 through Sept. 12, supplied by Myron Nickman, a division of Cook United, Maple Heights, Chio, cover 900 stores, including 125 discount stores in the Midwest. Average retail prices reflect typical price points for discount clients.

STYLER/DRYERS

Curr. $ Rank	Prev. $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	5	Gillette 1300W Supermax Pro	5,605	15.24	85,420.20
2	5	Gillette 1000W Supermax 2	3,593	19.80	71,141.40
3	2	Conair 1000W Pro dryer	5,057	13.03	65,892.71
4	3	Conair 1200W Pistol Power	4,352	11.59	50,439.68
5	4	Conair 1200W Pro stlr w brsh	1,793	21.76	39,015.68
6	9	Georgie 1400W Turbo dryer	2,247	12.56	28,222.32
7	7	Norelco 1000W Gotcha Gun	2,241	11.46	25,681.86
8	6	Northern 1200W Pro	1,891	10.74	20,309.34
9	8	Northern 1200W fldng-mini dryr	1,905	10.36	19,735.80
10	11	Northern 1000W	1,463	13.43	19,648.09
11	12	Clairol 1200W Sn Of a Gn	894	20.93	18,711.42
12	10	Gillette 1200W Supermax	788	20.80	16,390.40
13	13	Clairol 1000W Dry Guy	672	20.10	13,507.20
14	18	Northern 1200W Compact	1,388	8.98	12,464.24
15	14	Norelco 1200W Gtcha Gn	868	14.30	12,412.40
16	17	Conair 1250W Vagabond	839	14.46	12,131.94
17	16	Sassoon 1200W Prf md-sz stlr	647	13.84	8,954.48
18	21	Windmere 1250W Boss	620	12.24	7,588.80
19	—	Conair 1500W Pro w attchmnts	264	22.26	5,876.64
20	—	Gillette 1500W Promax	327	17.11	5,594.97
21	20	Sassoon 1500W Prf Erpn stlr	184	23.50	4,324.00
22	—	Windmere 1500W Boss 1500	180	15.96	2,872.80
		TOTALS	37,818		546,336.37

SLOW COOKERS

1	2	Rival 3½-qt alm	6,742	13.91	93,781.22
2	1	Rival 3½-qt removable lnr	3,714	22.81	84,716.34
3	3	Rival 5-qt rmvbl lnr, beige	2,309	28.03	64,721.27
4	4	Rival 3½-qt, flame	2,177	12.49	27,190.73
5	5	Rival 5-qt rmvbl lnr, avoc	645	22.58	14,564.10
6	6	Rival 1-qt Crockette	112	12.35	1,382.20
		TOTALS	15,699		286,355.86

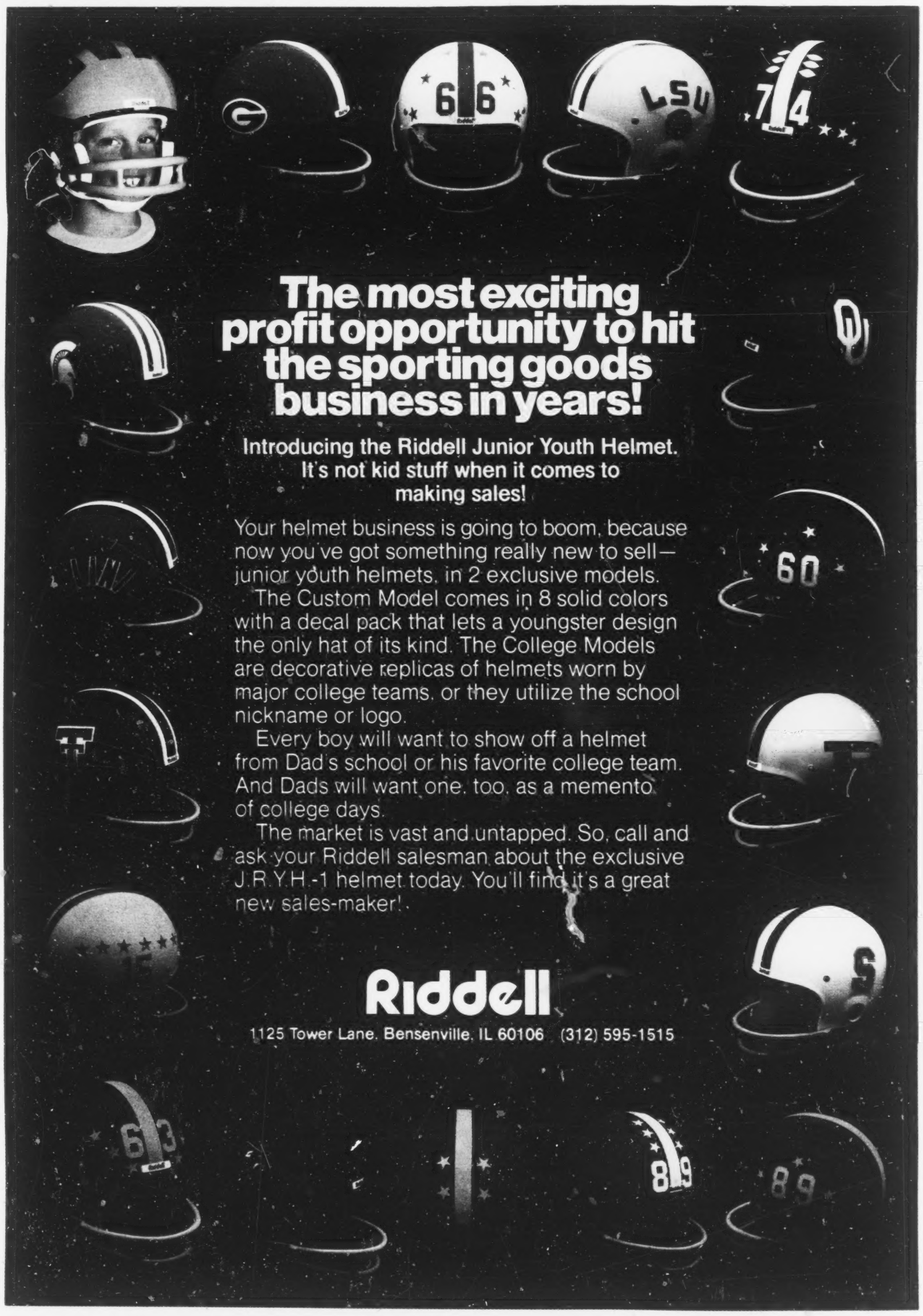
CURLING BRUSHES AND WANDS

Curr. $ Rank	Prev. $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	2	Shetland curling brush	12,404	5.74	71,198.96
2	1	Shetland Two-to-Get Set	6,793	9.25	62,835.25
3	15	Gillette Body & Curl	4,165	12.89	53,686.85
4	4	Conair curling brush	4,455	8.54	38,045.70
5	5	Georgie Adjstbl crlng brsh	3,981	8.29	33,002.49
6	12	Norelco Curl Q	2,445	10.46	25,574.70
7	6	Clairol Crazy Curl	1,960	12.11	23,735.60
8	11	Northern Pro irn, chrm	4,470	5.00	22,350.00
9	8	Northern Pro stlng brsh	3,233	6.76	21,855.08
10	9	Norelco Wave Maker	1,590	11.73	18,650.70
11	7	Dazey Beauty Curl	6,582	2.80	18,429.60
12	10	Conair Curls 'N Curls	3,492	4.99	17,425.08
13	14	Sassoon Prof curling iron	1,300	7.79	10,127.00
14	—	Clairol Soft crlng brsh	476	14.94	7,111.44
15	—	Windmere curling brush	1,282	5.10	6,538.20
16	18	Gillette Super Curl	558	11.24	6,271.92
17	—	Sassoon Prof brush iron	565	9.69	5,474.85
18	—	Gillette Clicker	293	18.43	5,399.99
19	16	Dallas Hot Pick	384	11.43	4,389.12
20	—	Windmere Pretty Curl	513	5.14	2,636.82
21	—	Windmere Ht crlng brsh	147	7.16	1,052.52
		TOTALS	61,088		503,791.87

TOASTERS

1	1	Proctor-Silex 2-sl, promo	7,579	12.66	95,950.14
2	2	Toastmaster 2-sl, promo	6,837	13.43	91,820.91
3	3	Toastmaster 4-slice	2,646	22.26	58,899.96
4	4	Proctor-Silex 4-sl, promo	2,468	19.41	47,903.88
5	6	Proctor-Silex 2-sl, Brdmts	3,068	13.33	40,896.44
6	7	Toastmaster 2-sl, atmtc	2,135	16.63	35,505.05
7	5	Toastmaster 4-sl, dul ctrl, wd tn	1,024	31.54	32,296.96
		TOTALS	25,757		403,273.34

(Continued on page 47)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PMA PRODUCT MOVEMENT AUDIT

Personal Care, Drips to Spark Fall Electrics

By Howard Bobroff
President,
Myron Nickman Distributors

Bearish is the word to describe the outlook for electric housewares.

Personal care appliances and drip coffeemakers are due to get the biggest play this fall, with discounters and other retailers focusing their merchandising on selected, traditional basics to maximize sales in the face of the uncertain economy.

This concern about generating sales was also evident from the fact that only two new items showed up on the Product Movement Audit for the nine-month period ended Sept. 12. These were a Sassoon professional brush iron and Gillette's butane-powered Clicker curling wand, with only the latter an innovative new product that retailers were willing to support with inventory dollars.

The current audit illustrates the bearish outlook as retailers backed selective, tried-and-true, small appliances—and,

(Continued on page 47)

Moving Up

The following "High Risers" chart lists items (and their rank) that have moved up five or more places from the previously published Myron Nickman electric housewares report. The "New Items" chart lists products (and their rank) that are appearing for the first time on the audit.

Category/Item	Rank
HIGH RISERS	
STYLER/DRYERS	
Northern 1200W Compact	13
Conair 1500W Pro w/attachment	18
Gillette 1500W Promax	19
Windmere 1500W Bross 1500	21
CURLING WANDS	
Gillette body + curl	3
Norelco Curl Q	6
Clairol Soft Curl Brush	14
Windmere Curling Brush	15
Windmere Pretty Curl	20
Windmere Hot Curling Brush	21
DRIP COFFEEMAKERS	
North Amer Mr Coffee 10-cup	9
SPECIALTY ELECTRICS	
Northern 4-qt. Pcr ice crm mkr, alm	2
Sunbeam Great Amr Ppcrn Mch II	10
Toastmaster Mini Griddle	11
Waring Ice Cream Parlor	12
Northern 4-qt Pacer ice crm mkr, br	13
FOOD PROCESSORS	
Hamilton Beach 2-speed	1
BLENDERS	
Oster 10-speed, almond	5
HAND MIXERS	
Rival 5-speed	12
CAN OPENERS	
Rival w/knife sharp, avocado	9
IRONS	
Sunbeam steam iron, promo	2
Proctor-Silex Lady Light steam/dry	9
NEW ITEMS	
CURLING WANDS	
Sassoon Prof Brush Iron	17
Gillette Clicker	18

PMA®

PRODUCT MOVEMENT AUDIT

Fall Electrics

(Continued from page 46)

those that were supported did receive strong commitments.

The items that appeared on the PMA were, for the most part, products whose names are among the most recognized electrics. Lesser-known items —and offerings from secondary vendors—received little, if any, inventory commitment.

Styler/dryers and curling wands were the two categories that received the greatest commitment in the number of items that made the audit.

While only nine drip coffeemakers made the listing, the actual unit movement was the second highest. Discounters and other retailers maintained large stocks to support continuing strong sales that were expected to extend into the fourth quarter.

In the kitchen electrics area, specialty electrics had the greatest number of items, 13, making the PMA. This category was sparked by popcorn makers as the staple, and ice cream makers as the spring-and-summer strong seasonal seller.

Indicative of the uncertain outlook for the key holiday sales period was the very limited commitment made to the two higher-priced food preparation classifications—food processors and stand mixers. Together, these two classifications accounted for only seven items, with the total unit and dollar movements the lowest of any category. Products in these two areas tended to carry the highest average retail prices of any merchandise listed in the PMA, and retailers were supporting these items very gingerly.

A sharp counter to the light backing that these two food preparation classifications received was the surprising support for hand mixers.

A dozen hand mixers made the PMA, second highest total for any kitchen electric, while the total unit and dollar movement figures were right in line with those of the other kitchen appliances.

ELECTRIC HOUSEWARES

(Continued from page 46)

DRIP COFFEEMAKERS

Curr. $ Rank	Prev. $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	1	Proctor-Silex 10-Cup	21,396	20.05	428,989.80
2	2	Norelco 10-cup Dial-a-Brew	5,409	24.60	133,061.40
3	6	North Amer Mr Cffe 12-cp w/svr	2,321	41.11	95,416.31
4	3	North Amer Mr Cffe 10-cp, alm	2,554	29.51	75,368.54
5	5	Hamilton Beach Mini-Drip II	3,994	16.08	64,223.52
6	7	North Amer Mr Cffe 10-cp w/svr, alm	785	39.33	30,874.05
7	8	Norelco Express 4-cup	860	21.29	18,309.40
8	9	Norelco 12-cup Dial-A-Brew II	433	36.49	15,800.17
9	—	North Amer Mr Coffee 10-cp	625	25.16	15,725.00
		TOTALS	38,377		877,768.19

SPECIALTY ELECTRICS

1	1	Wear-Ever Popcorn Pmpr	5,408	27.26	147,422.08
2	10	Northern 4-oz Pcr ic crm frzr, alm	6,640	14.00	92,960.00
3	2	Hamilton Beach Ppcrn Pmpr	1,900	26.98	51,262.00
4	6	Hamilton Beach Fry All	2,732	16.68	45,569.76
5	5	Presto Fry Daddy	1,553	27.21	42,257.13
6	4	Presto Popcorn Now	1,617	25.89	41,864.13
7	3	Shetland Corn Popper	2,181	16.71	36,444.51
8	7	Hamilton Beach Bttr-up Pppr	1,273	16.11	20,508.03
9	8	West Bend Butter Mtc ppcrn mkr	1,054	13.40	14,123.60
10	—	Sunbeam Great Amr Ppcrn Mchn II	516	26.71	13,782.36
11	—	Toastmaster Mini Griddle	268	25.59	6,856.12
12	—	Waring Ice Cream Parlor	220	25.81	5,678.20
13	—	Northern 4-qt Pcr ic crm frzr, brw	197	13.96	2,750.12
		TOTALS	25,559		521,480.04

FOOD PROCESSORS

1	—	Hamilton Beach 2-sp fd prcssr	353	50.79	17,928.87
2	2	Sunbeam Le Chef	162	108.08	17,508.96
		TOTALS	515		35,437.83

CAN OPENERS

1	1	Rival, almond	6,260	12.36	77,373.60
2	2	Rival Slimline w/knf shrp, alm	3,124	15.08	47,109.92
3	3	Rival w/knife sharp, white	3,574	13.00	46,462.00
4	4	Rival w/knife sharp, gold	2,243	12.86	28,844.98
5	5	Rival, gold	1,697	11.34	19,243.98
6	6	Rival Slimline w/knf shrp, white	950	15.45	14,677.50
7	8	Dazey can opener	1,365	9.50	12,967.50
8	7	Waring w/knife sharp	738	13.48	9,948.24
9	—	Rival w/knife sharpener, avocado	127	29.79	3,783.33
		TOTALS	20,078		260,411.05

BLENDERS

1	1	Hamilton Beach 7-spd, alm	3,240	20.10	65,124.00
2	2	Hamilton Beach 14-sp, Blndr Pls, gld	1,759	29.48	51,855.32
3	3	Waring 2-speed blender	2,465	17.54	43,236.10
4	4	Waring 8-speed, Titan	1,821	20.13	36,656.73
5	—	Oster 10-speed, almond	1,352	27.04	36,558.08
6	5	Waring 14-speed, almond	514	23.20	11,924.80
		TOTALS	22,302		245,355.03

STAND MIXERS

1	1	Sunbeam, w/dough hook, alm	436	80.60	35,141.60
2	4	Waring 12-speed	1,344	23.70	31,852.80
3	2	Sunbeam, w/dough hook, white	244	83.09	20,273.96
4	3	Hamilton Beach 9-sp w/dgh hk	350	51.19	17,916.50
5	5	Waring 6-speed, 2-way, white	678	22.43	15,207.54
		TOTALS	3,049		120,392.40

HAND MIXERS

1	4	Sunbeam, 5-sp Burst of Pwr, alm	1,752	22.50	39,420.00
2	2	Waring 12-speed, almond	2,468	15.35	37,883.80
3	5	Hamilton Beach 3-sp, alm, det cord	2,287	14.28	32,658.36
4	3	Hamilton Beach 3-sp, gld det cord	2,056	14.18	29,154.08
5	1	Sunbeam 3-speed, white	2,111	12.81	27,041.91
6	6	Hamilton Beach 3-speed, gold	2,029	11.93	24,205.97
7	9	Hamilton Beach, 3-speed, alm	1,090	12.76	13,908.40
8	7	Sunbeam 5-sp, Burst of Power, white	481	23.80	11,447.80
9	8	Waring 6-speed, white	740	13.48	9,975.20
10	10	Hamilton Beach 5-spd w/cse, alm	405	19.73	7,990.65
11	11	Waring 6-speed, almond	494	11.16	5,513.04
12	—	Rival 5-speed	318	13.53	4,302.54
		TOTALS	16,231		243,501.75

IRONS

1	1	Proctor-Silex steam	7,842	13.34	104,612.28
2	8	Sunbeam steam iron, promo	2,801	15.39	43,107.39
3	2	Sunbeam self-clean, promo	1,645	24.03	39,529.35
4	3	Hamilton Beach Speed-O-Light II	1,327	17.35	23,023.45
5	7	Proctor-Silex dry/steam/spray	1,195	15.94	19,048.30
6	4	Struhl travel iron	2,719	6.08	16,531.52
7	6	Proctor-Silex Ldy Lght spry/stm	578	24.31	14,051.18
8	5	Sunbeam Shot of Steam	436	30.99	13,511.64
9	—	Proctor-Silex Ldy Lght, stm/dry	586	15.45	9,053.70
		TOTALS	19,129		282,468.81

Rangetoppers

(Continued from page 45)

ing the tag line "Rangetoppers by Corning," rather than the line used in previous ads, "Corning Ware Rangetoppers."

A few catalog showrooms have differentiated Rangetoppers from Corning Ware in their 1981-82 books by showing the top-of-stove cookware with regular cookware, rather than with Corning Ware.

Manufacturer executives have noted that catalogers were doing a good job with Rangetoppers, with movement better than indicated on the basis of past results with premium cookware.

Best Products, in its new catalog, has a 6-pc. Rangetoppers set and three open-stock items on a page that includes two metal cookware sets. The Rangetoppers set is the lowest-priced of the three, running about $45 in the different Best editions, while the metal cookware sets are tagged at $135 and $68.

Ellman's has a 6-pc. Rangetoppers set on a gourmet shop cookware page that also has two pressure cookers, two roasters and three teakettles. Rangetoppers has the highest tag at $48, but is competitive with a pressure cooker at $45 and a roaster at $43.

Rangetoppers is also part of a two-page spread for specialty metal cookware such as canners and pressure cookers in the George Associates group catalog. A 7-pc. set is merchandised at about $70, a price that's in line with other items that range from $12 for a stainless steel whistling teakettle to $70 for a 22-qt. pressure cooker and canner.

The Merchandisers Association Inc. and Mutual Merchandising groups included Rangetoppers on pages along with Corning Ware cookware. A number of groups, including Creative Merchandising, Jewelcor, Paul Schultz Catalogs, Charter Catalogs and independents Consumers Distributing and Service Merchandise didn't include Rangetoppers in their books. Members of these groups are banking on the line selling as a not-in-catalog item.

An analysis of the Rangetoppers PMA shows that the 6-pc. sets had the highest movement due to the same shopper interest in purchasing sets to save money as is reflected in the strong demand for Corning Ware sets.

The fashion interest is also similar, with Spice and Cornflower designs having greater movement than Wildflower pattern items.

The other major trend is the stronger interest in larger-size pieces, with 10-in. skillets scoring higher than 8½-in. pieces and 5-qt. saucepots generating more movement than 2½-qt. saucepans.

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THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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Store-Personnel Protection Is Tight, Not Foolproof

BALTIMORE—An assistant manager of a K mart store here was shot and killed early the morning of Oct. 25 after he was accosted by two armed intruders when he opened the store to allow the maintenance shift to change.

Police said Keith E. Bee, 27, the victim, arrived at the store at 5760 Wabash Ave., with his 3-year-old son at 7:30 a.m. He was in the process of letting the Saturday night maintenance man out of the store when two men with a shotgun appeared.

The intruders forced Bee, his son and the maintenance man inside the store, where they locked the youngster in an employee lounge and the maintenance man in a storeroom, police said. Bee was then taken to the store office, where he was forced to unlock the safe. The robbers confiscated the safe's contents, then took Bee back to the store floor, where they took numerous items of merchandise, including guns and ammunition, police said.

Before fleeing the store in Bee's car, the two intruders forced Bee to lie on the store floor, where he was shot in the back of the head with the gun stolen from the store, police said.

Nationwide DSN Report

Store security is a key topic among discounters, particularly in the aftermath of the recent slaying of a K mart store manager in Baltimore.

In interviews with several discount store chains, *Discount Store News* discussed the problems of store security, primarily in areas involving protection of store personnel: store-opening and closing and bank-deposit situations.

Although chains involved in the interviews were confident of their particular security systems, all agreed: What happened at K mart can happen anywhere.

"If somebody wants to get in bad enough, they'll get in. If they want to rob you they will. Our philosophy is to minimize the danger to the maximum number of people we can," said Hills' loss prevention director David Baldwin.

Baldwin said the store-opening and closing program at Hills has been refined to alert police and have them on the scene unless procedures are followed to the T.

Hills requires that two store employees open and close its buildings, and do so at specific times designated. As soon as the locking or unlocking procedure is completed, the manager must call a central head-

(Continued on page 22)

Baumann, Evans of DH 'Pool' Fill Last Jefferson/Ward Gaps

MIAMI—Montgomery Ward completed the restructuring of its Jefferson/Ward discount arm's top executive staff by plucking two more executives from Dayton Hudson's pool of talent.

Arthur F. Baumann
Pres., Chief Operating Officer, Jefferson/Ward

Arthur F. (Jim) Baumann, chairman and chief executive officer of Arizona-based Diamond's department stores, was named president and chief operating officer of Jefferson/Ward.

Richard Evans, Target's vice president and merchandise manager for housewares and domestics, was appointed senior vp and general merchandise manager, hard lines, of Jefferson/Ward.

Both appointments denote the key role that Stephen L. Pistner, Ward's president and chief execu-

(Continued on page 22)

Two Guys Pares Staff, Stores; Projects New Real-Estate Focus

GARFIELD, N.J.—Two Guys has sharply reduced its merchandising staff and begun to close all but a handful of stores in its long-expected move to become a real estate operator.

This switch from retailing is the execution of the intent of Interstate Properties, a privately held New Jersey real estate company, which took effective control of the discounter's parent, Vornado, in a proxy fight about 30 months ago.

Two Guys at presstime let go at least 18 merchandisers as it revealed the upcoming closing of 18 more stores that will reduce its operation to just a dozen units. Those closings follow on the heels of the current shutting of 15 units disclosed last month.

A statement issued by the board of directors said that losses from the retail business "were such that it [Vornado] no longer desired to be primarily a retailer and would exploit its other assets, which consist primarily of real estate."

Those assets may be leased or sold to others, the company said.

"The company has sold one property, leased three others and is in various stages of sale and lease negotiations of additional property," the statement added.

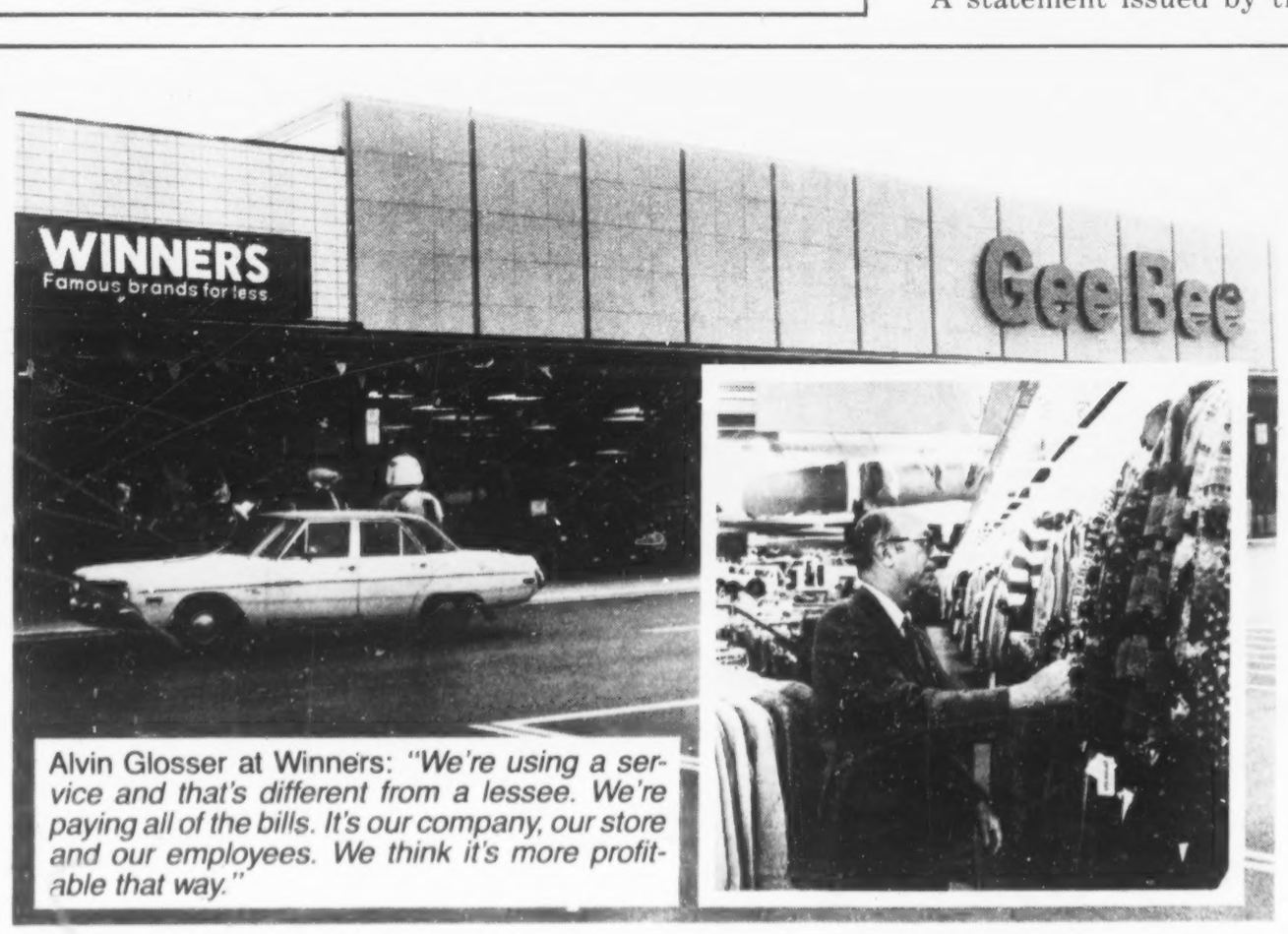
The discounter, as part of its retrenchment, has phased out almost all its warehouse operations and expanded its use of jobbers to obtain merchandise.

The notice of the stores' closing was posted on bulletin boards at Two Guys' headquarters in Garfield the day after the board met. But no statements were issued at presstime about the sharp staff cutbacks, although those firings were common knowledge among employees.

Company executives were "in meetings" at presstime and couldn't be reached by *DSN* for comment.

As for the firings, Two Guys has let go the following: soft goods merchandisers Arnold Cohen, Mary Kitz, Arnold Sherman, Don Little, Steve Baun, Al Romano and Stanley Rutter; and hard lines merchandisers Marvin Goldfarb, Joe Jacelone, John Rij, Joe Stubbs, Greg Webster, Joe Miller, Sal Merlo, William Zukosky, Klaus Penner, Morey Friedman and Pat Ringitore.

—Arthur Markowitz



Alvin Glosser at Winners: *"We're using a service and that's different from a lessee. We're paying all of the bills. It's our company, our store and our employees. We think it's more profitable that way."*

Glosser Unwraps First Winners Store, Offering Cut-Price, Branded Apparel

By Betty J. Taylor

PLEASANT HILLS, Pa.—Glosser Bros. is diversifying its retail apparel and supermarket operations to improve its profitability.

To that end, the Johnstown-based company has launched itself into the off-price, branded apparel market, opening its first Winners, a 5,600-sq.-ft. specialty store for misses and juniors, here in the Southland Shopping Center next door to Gee Bee, its discount arm.

According to ceo and president Alvin Glosser, Winners, along with a recent warehouse supermarket venture in an existing food store in Greensburg, Pa., is expected to show up in the 75-year-old company's bottom line by 1982.

The change in Glosser Bros.' strategy comes on the heels of a sluggish first half which saw the company post a loss of $153,530, with $159,186 registered as a loss for the second quarter. Glosser blames economic conditions in the company's Pennsylvania, Maryland and West Virginia base—including cutbacks in production and employment in the steel and coal industries—for its problems. The company—which operates 18 discount stores, 13 supermarkets, a department store and family apparel center—also noted a sharp decline in earnings for the fiscal year ended Jan. 26, 1981. Income plummeted 31.4% from $2,649,348 the year before

(Continued on page 21)

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Gibson's Shutters Its Last Nine Company-Run Discount Stores

SEAGOVILLE, Tex.—Gibson's has shuttered the last of its company-run discount stores.

According to sources close to the chain, Gibson's has closed or is in the process of leasing the last of its remaining nine stores in order to concentrate on its wholesale, franchising and real estate operations.

(Gibson's has approximately 50 franchisees who run a total of 335 stores from coast to coast. Those franchisees pay Gibson's monthly fees based on square feet per store. Stores under 15,000 sq. ft. pay $175 per month per unit and stores over 15,000 sq. ft. pay $225, according to franchisees. Many of those franchisees rely on Gibson's warehouse as a source of supply.)

Gibson's steadily began closing stores in 1979 in an effort to make its retail operation more profitable. The chain went from 41 units in that year to 27 in mid-1980 and finally to a dozen by early this year.

The latest and final cutbacks saw stores closed in Clovis and Portales, N.M.; Lubbock, Tex.; Pueblo, Colo., and Cheyenne, Wyo. Stores in Hobbs and Lovington, N.M., and Laramie and Cheyenne, Wyo., were leased to franchisees, including former employees. At presstime, no sites reportedly had been sold.

Former Gibson's general manager Paul Trumble was among those to acquire disposed sites. Trumble, who left his Gibson's post officially in mid-October, assumed the lease of the 33,000-sq.-ft. Laramie unit and the 75,000-sq.-ft. Cheyenne unit at the beginning of October.

Trumble said the two stores generated in excess of $7 million in volume for Gibson's and that he expects to exceed that figure.

Just prior to Trumble's lease agreement, former Gibson's San Antonio manager Keith McCrary took over the 23,000-sq.-ft. Lovington unit.

McCrary, a 15-year company veteran, made the transition from manager to owner in mid-September. He said the Lovington site generated $1.9 million in volume for 1980.

Also acquiring shuttered stores was the Ragsdale family of Perryton, Tex. The Ragsdales picked up the 80,000-sq.-ft. Hobbs store in August. The family also operates Gibson's in Guymon and Woodward, Okla.

Two Majors Report Opposite Financial Results: Ward's Losses, Sears' Retailing Profits Mount

CHICAGO—Montgomery Ward and Sears reported sharply contrasting quarterly and nine-month sales and earnings.

Ward, parent of Jefferson/Ward, posted deeper losses for the periods ended Sept. 30, and showed small gains in sales.

Sears, on the other hand, reported higher earnings from its retailing operations on stronger increases in volume for the same periods.

Ward's sales in the quarter went up 3% to $1,341,000,000 from $1,299,000,000. But, its losses plunged from $42 million to $63 million.

Adding It Up

The nine-month results saw sales of $3,912,000,000, up 9% from $3,596,000,000, while the loss went from $124 million to $138 million.

Sears' retailing sales in the quarter were up 8.1%, from $4,201,600,000 to $4,540,700,000, while income more than tripled to $74,500,000.

In the nine months, sales of $12,505,600,000 were up 9.3% from $11,437,000,000 as $90,500,000 in income wiped out a $25,600,000 loss reported for the period last year.

Ward executives asserted that the company's poor performance was due to high interest rates and competitive pressures on margins. Sears chairman and chief executive officer Edward Telling said that "domestic merchandising sales and income were above plan as a result of aggressive marketing and tight control of expenses."

Spotlight on: G. C. Murphy Co.

Hometown Company Makes Good

G. C. Murphy Co. president C. H. Lytle (right) received a plaque in commemoration of his chain's 75th anniversary in retailing and in the community of McKeesport, Pa., from the city's Chamber of Commerce president Alfred Herold (center). McKeesport Mayor Louis Washowitch (left) and other community officials were on hand for the presentation, which was made during a Chamber of Commerce-sponsored dinner in the chain's hometown on Oct. 22. *(McKeesport Daily News photo)*

Prodded by Discounter Lobby, I.C.C. Kills Big Fuel Surcharge

WASHINGTON—Under pressure from discount store industry lobbyists, the Interstate Commerce Commission scrapped controversial Federal trucking regulations allowing motor carriers to impose fuel surcharges of as much as 18% on shippers.

New I.C.C. regulations have replaced those surcharge rules with a new system permitting truckers to recoup rising fuel costs based on a formula linked to the distance traveled.

The original surcharge system, which was adopted in 1979 during the last oil crisis, was based not on mileage or actual fuel use, but rather on total freight rates. As a result, discount industry transportation officials argued, the fuel surcharge formula produced "windfall profits" for truckers at the expense of retailers.

In recent testimony before the commission, Jamesway distribution vice president Jack Cotroneo said that the increase in diesel fuel pump prices since 1979 has added about $30 to the total cost of hauling a truckload of discount store merchandise on a typical 450-mile run. Under the commission's just-scrapped fuel surcharge formula, however, the carrier would be allowed to charge an additional $141 for the haul.

"It seems clearly excessive to allow carriers to recover an additional $111 above actual fuel cost increases," Cotroneo told the agency.

Under the new system, this fuel surcharge formula has been replaced by one permitting truckers to offset only their actual fuel cost increases since 1979.

The I.C.C. will continue to monitor diesel fuel price changes since the 1979 "baseline" of 63.5¢ per gallon, but the total average per-gallon price in-

(Continued on page 25)

Discounters to Gobble Bigger Slice Of Food Biz, Researchers Tell FTC

WASHINGTON—Discount chains will continue to muscle in on the retail food marketplace over the next 10 years unless supermarket giants like Safeway, Kroger and Albertson's are able to "neutralize" mass merchandisers, market forecasters warned Federal Trade Commission antitrust officials.

The trend by "mass marketing retailers" to incorporate "food supermarkets as departments within their one-stop shopping concepts . . . cannot be ignored" by the nation's food chains, the FTC long-range market analysis said. Efforts by discounters to carve out a substantial slice of the retail food business "must be tracked carefully" by supermarket industry planners.

The study, commissioned by the agency to help the FTC map out new retail industry antitrust enforcement strategies for the coming decade, predicts that grocery chains "will combat other specialty outlets by adding nonfood items into the food supermarket."

Discounters won't be the only nonfood retail segment angling to cash in the stronghold of supermarket chains during the next 10 years, however.

"The development of full fledged food supermarkets as departments within larger junior department stores is also likely to continue, as are the food items in drug stores and various other specialty stores not traditionally associated with foods," the forecasters told FTC antitrust officials.

Among the other marketplace predictions contained in the new FTC study:

- Continued increases in truck transportation costs throughout the decade, with freight rates rising "at above average inflation" levels; and
- The emergence of a European-style "value added tax" in the United States before 1990 which would be applied selectively on "luxury" merchandise, but not "essential goods."

In This Issue...

PLACE YOUR BEDS. Comforter sales are rising, but displaying the trendy "unmade" bed look is a problem. (P. 5)

HARDER THAN IT LOOKS. Sales increases are no guarantee of success, according to the Discounter Management Development Series. (Pp. 16-17)

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Vol. 20, No. 23 Nov. 16, 1981

Productivity Study Shows Need For Improved Operations Planning

By Stephanie Shern
Partner, Arthur Young & Company

The retailers who are the most successful in improving productivity say that management innovation and effective planning are the keys to achieving objectives, according to a study conducted by Arthur Young & Company.

Completed in conjunction with the Association of General Merchandise Chains (AGMC), the study included a survey of more than 7,500 stores all over the country. A total of 23 corporate entities participated in the in-depth survey. Respondents to the seven-page questionnaire were from companies with annual sales of between $500,000 and $14 billion.

The survey highlighted two issues that appear to be of key concern to retailers: 1) the character of the productivity programs being implemented, and 2) the role of the planning process in achieving productivity improvement objectives.

Characteristics of Successful Programs

The survey revealed that those retailers who have experienced a higher degree of success in improving productivity tend to have a broader focus in their programs. For example, success seems to be linked with going beyond the traditional areas of concern, such as store staffing levels, and looking for innovative, more capital-intensive approaches to productivity improvement.

Among the more successful retailers, there was a focus on cash management, information systems, training and automation as the basis for improving their overall productivity. The survey also pointed to a dramatically high incidence of programs that focus on capital-intensive approaches to productivity improvement.

The Role of Effective Planning

The study also clearly indicated that the retailers who have achieved the highest productivity levels have incorporated their programs into the short- and long-range planning process. Where effective planning was carried out by the retailers, productivity improvement was often a major factor in their overall strategies.

Further Considerations

The more successful retailers also had generally well-developed indicators to plan for productivity improvement and monitor successful implementation. These would include not only the traditional operational and financial measures (i.e., sales per square foot, sales per employee, etc.) but several financial indicators such as gross margin return on inventory and others.

Problem Areas

The area in which even highly successful retailers appeared to encounter difficulty was in linking their planning and strategies to the specific operational programs. Even though well-conceived and developed plans and strategies were available, many retailers reported difficulties in implementing them.

The survey data suggest that retailers must focus on the linkages between their planning and the implementation of those plans at the field level. One illustration of the importance of this linkage was the retailer who had determined that his long-term success rested on his ability to upgrade his merchandise to focus on an upscale market. However, because of poor performance in the last two quarters, store management decided to reduce staff and service levels to reduce costs. Both approaches were considered to be productivity improvements; however, after examining the company's overall objectives, it became apparent that the two approaches were in conflict.

New Attempts

Clearly what is needed is for the retailers to follow the lead of other industries that are attempting to improve productivity. Many corporations are focusing on the linkages between their strategic planning efforts and their operations. Too often, not enough attention is placed on the linking of the strategies and plans to the operating budgets, capital requirements, personnel and training requirements, management information systems, marketing efforts and other operational areas.

Copies of the productivity survey may be purchased from the Association of General Merchandise Chains, 1625 Eye St., N.W., Washington, D.C. 20006.

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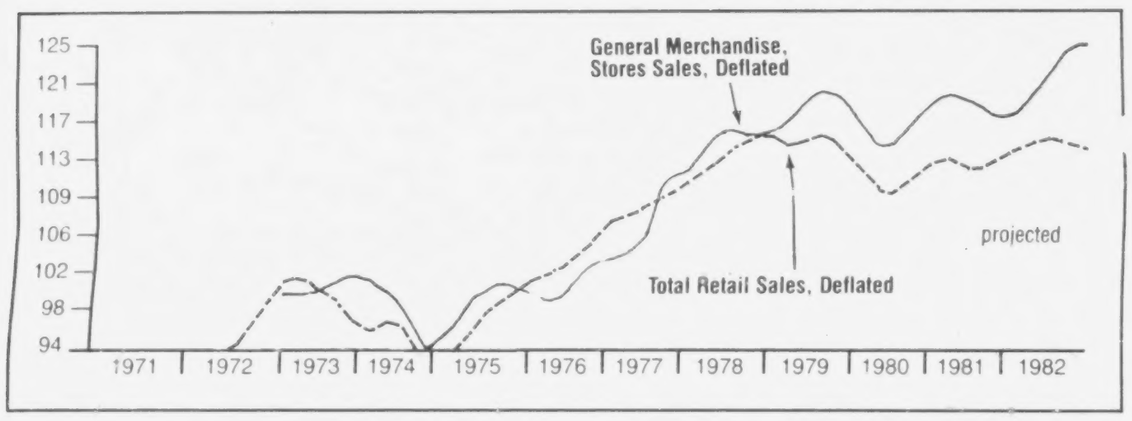
Arthur Young & Company is an international accounting firm which provides accounting and auditing, tax and management consulting services to a wide variety of clients, large and small, in virtually every type of business.

L/F Econocycle

Total Retail Sales 'Braking' at Year's End; 1%-2% Gains Seen For Discounters



Recent braking trends in sales, coupled with major revisions in the latest Government statistics, now point to a slower rate of general sales velocity in 1981 overall than forecast previously.

Total retail sales will probably match or edge slightly above 1979-80 levels, the latest Econocycle computations reveal.

As a result, the L/F spending indicator (below) is also pegged lower than projected earlier in the year. But there still appear to be strong signs that consumer confidence—spiked by just-initiated tax rebates—will pick up in 1982, at a steady, but slower rate of growth.

Total retail sales gains are expected to edge up about 2% over the next two months. This will depress the final quarter gains of 4% that were originally expected, according to the latest forecast computations.

The L/F Econocycle forecast is for gains in the 2% range this month, slipping to less than 1% in December on comparable year-to-year results.

This compares to other retail sectors where the short-term outlook continues "spotty" through the balance of 1981:

- Department stores should roll up a solid 3% to 4% increase through year's end; apparel specialists, 2%-3%.
- General merchandise sales will continue to trend downward through the balance of '81 (approximately 1% ahead of last year), but show strong signs of recovery in early '82.
- Drug retailers, due to recent revisions of Government data, now reveal sales declines dating back to 1980, new studies show. But, drug operators should begin to step up sales gains early in 1982 and by the second quarter could be improving well above 1980 sales levels.

New Moves

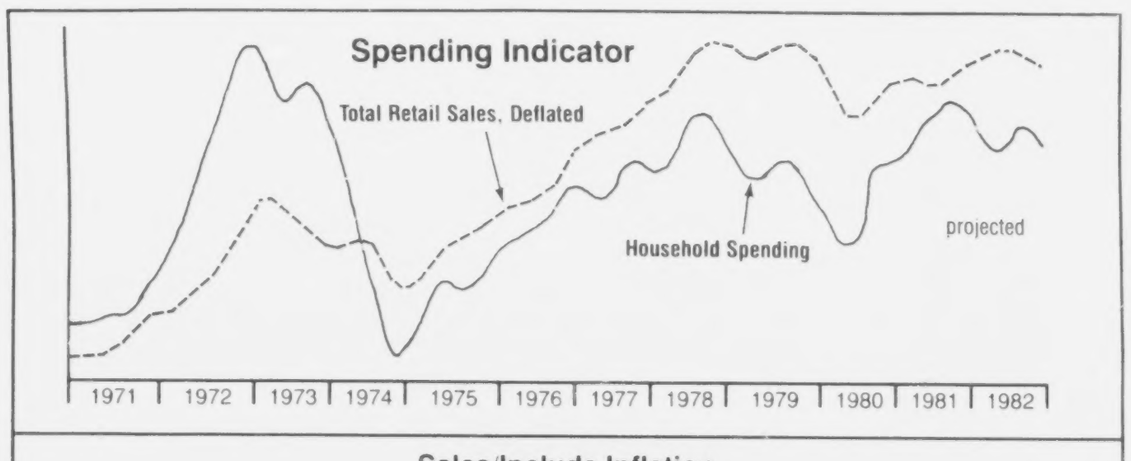
Even during these times of stagnation, however, discount department stores are experimenting with different mixes of merchandise—most skewed toward higher percentages of soft lines sales, for the higher margins in those categories—and the most successful chains are boosting profits faster than sales gains as a result. Chains with strong basic apparel assortments are gaining at higher rates than most, while K mart may be suffering from a glut of slow-moving designer apparel which the chain has pursued aggressively from diverters.

General Merchandise/Discount

Sales Change By Quarter

	'80 1Q %	'80 2Q %	'80 3Q %	'80 4Q %	'81* 1Q %	'81* 2Q %	'81* 3Q %	'81* 4Q %	12-Month % Change 1979 %	1980 %	1981* %
Sales include Inflation	9.1	4.8	4.3	5.8	7.9	12.5	9.4	6.1	9	6	9
Real sales (Deflated)*	1.9	-2.4	-3.4	-2.0	0.9	5.8	3.6	1 2	3	1	3

Base = July 1981 Sales
*Projected



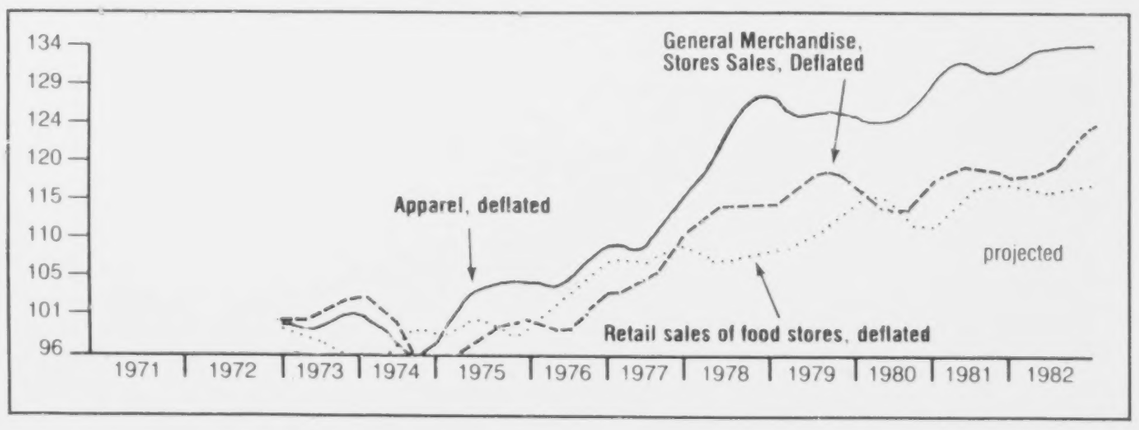
Sales/Include Inflation
% Change By Quarter

		Total Retail Stores	Food Stores	Eating & Drinking	Building Materials Hardware Stores	Drug Stores	Furniture & Appliance Stores	Apparel Stores	General Merchandise Stores	GAF Stores
1980	1Q	9.4	11.0	10.2	7.2	11.9	10.5	3.3	9.1	8.1
	2Q	5.0	10.3	9.3	8.4	11.2	2.5	4.6	4.8	4.3
	3Q	5.9	11.2	8.3	9.4	10.3	1.0	4.3	4.3	3.5
	4Q	7.3	10.6	7.2	1.5	14.1	5.1	6.4	5.8	5.8
1981	1Q	10.2	10.5	7.4	8.4	10.4	8.4	9.8	7.9	8.4
	2Q	12.3	10.7	11.4	15.2	10.3	9.0	8.7	12.5	10.9
	3Q*	9.4	8.7	9.0	7.8	7.9	2.7	7.3	9.4	7.5
	4Q*	7.4	7.6	7.1	0.6	4.5	1.6	5.5	6.1	5.0
% change 12 mos.	1979	11.0	12.0	13.0	12.0	11.0	15.0	6.0	9.0	10.0
	1980	7.0	11.0	9.0	3.2	12.0	5.0	5.0	6.0	5.0
	1981*	10.0	9.0	9.0	8.0	8.0	5.0	8.0	9.0	8.0

Real Sales (Deflated)*
% Change By Quarter

1980	1Q	- 1.2	5.8	0.0	- 2.6	3.8	4.9	- 1.4	1.9	1.8
	2Q	- 5.0	4.9	- 0.1	- 17.6	2.0	- 3.4	0.5	- 2.4	- 2.0
	3Q	- 4.2	2.0	- 0.9	- 18.5	0.5	- 5.8	- 0.2	- 3.4	- 3.3
	4Q	- 2.9	- 0.6	- 1.8	- 10.4	3.9	- 1.1	1.5	- 2.0	- 1.1
1981	1Q	0.7	- 1.4	- 2.1	- 1.2	0.2	2.2	5.9	0.9	2.2
	2Q	3.6	0.3	2.1	6.0	0.3	3.0	4.5	5.8	4.9
	3Q*	1.9	1.6	0.7	0.5	- 1.0	- 3.0	3.5	3.6	2.1
	4Q*	1.8	4.6	0.5	- 6.1	- 2.9	- 4.9	2.8	1.2	0.2
% change 12 mos.	1979	1.0	2.0	2.0	4.0	4.0	9.0	3.0	3.0	4.0
	1980	- 3.0	3.0	- 0.7	- 12.0	2.0	1.0	0.1	- 1.0	- 1.0
	1981*	2.0	1.0	0.3	- 0.3	- 0.9	- 0.7	4.0	3.0	2.0

Base = July 1981 Sales
*Projected



About Econocycle

The source for the L/F Econocycle index is the Econostat Applied Economic Research Unit of The Hague, Holland. This unit consults for Government and major corporations on three continents. Its projection techniques are based on the Econocycle System, a computerized system designed by the Econostat team of economists.

Because of the changing pace of inflation in the United States, retail sales figures in the L/F Econocycle projections have been adjusted to take account of inflation. All statistics are shown in *real* terms. The charts (above, facing) represent the trend cycle. The data has been seasonally adjusted and smoothed—and is updated each month. Source for current sales and the deflator series is the U.S. Dept. of Commerce.

Where an *Index Base* is indicated, all data is converted to index numbers, starting from a common base (= 100) in order to establish meaningful performance comparisons.

Store-Staff Protection Is Tight, Not Foolproof

(Continued from page 1)

quarters which monitors Hills' security/alarm system with his designated code.

"Even if the store is opened with an authorized key," said Baldwin, "unless they call, the central monitoring system will send for the police."

Police are automatically called to the scene, too, if the store is opened at an unusual hour—unless store management has notified headquarters 48 hours in advance.

Hills has also explicit instructions on how to respond to alarms. "They're never to go in the store without the police during unauthorized hours," said Baldwin.

(Hills, by the same token, has specially made enunciator panels on doors of all restricted areas, such as the cash office, which monitor movement sound and signal headquarters whenever entry or exit has been made at an unauthorized time.)

S. E. Nichols also utilizes a time-clock alarm system.

Jamesway requires members of the store management team and a representative from loss prevention to be present at opening and closing.

Cook United policy mandates that two to three people be present at an opening or closing, with one observing from the parking lot with 20¢ in his pocket, ready to make a phone call to police if anything unusual happens.

Some chains like Jamesway have eliminated the policy of leaving maintenance personnel in the store overnight.

Others, like Hills, have maintenance scheduled so that the night crew arrives at 10 p.m. at store closing and is not let out until the adequate number of personnel is there in the morning for store opening.

Most chains have specific cash-on-hand policies, requiring bank drops to be made whenever the in-store cash amount reaches a certain level.

In general the cash fund is never to exceed the amount needed to operate eight registers. For the most part, that's $100 a register or $800, said Cook United's loss prevention specialist Joe Parker.

But getting the cash to the bank when it exceeds the designated ceiling is sometimes a problem for chains, said Parker. Additional pickups by armored car service can cost a chain up to $300 extra, he said.

Nichols' Joe Keller said at busy times it's often impossible to schedule the armored car service when needed. "In some areas, they'll only pick up one or two times a day and during busy times we may need it more frequently. And all police departments don't offer cooperation, because some of them don't have the manpower."

Hills uses armored car service in problem areas—such as Youngstown, Ohio, where there were three bank deposit robberies last year—or in areas where the service is offered by the local bank. But for most of its 90 stores, the chain relies on store managers to make the bank deposits.

"In our system, the deposit has to be made using two different cars," said Baldwin. He said in the four years he has been with Hills, during which there have been a total of five deposit robberies, most of the problems stemmed from violation of policy.

"It's a big problem to get management people to comply with the procedures. They don't realize that it's not so much the money that's on the line, but their safety."

Jamesway has two or more employees make bank drops and varies timing of the drops for added protection.

But even with all of the precautions, there are times when things go wrong, said Nichols' Keller.

Keller, who clipped and kept the newspaper article about the slain K mart, Baltimore, assistant store manager, said: "If it happened at one of our stores, our manager would be dead too.

"No matter what you do, it can happen. And I can't think of anything more we can do to keep it from happening."

Six weeks prior to the Baltimore incident, a Nichols manager and his assistant were kidnapped in the Reading, Pa., store. The robbers (at presstime, still at large) got away with $8,000 cash and the manager's car, leaving the two Nichols employees handcuffed to a tree in the country. Keller says that his employees were left unharmed because of "luck."

Sales/Sq. Ft., Expenses Rise For NMRI, NRMA Members

Since the 1976-77 studies of operating results by the NRMA and NMRI, the two industries have managed dramatic gains in sales per square foot, which had been $78.12 in discount stores in 1977, $92.72 in department stores, and in shrink control; in 1977, shrink in discount stores averaged 2.57% of sales, and department stores lost 2.13% of their sales to shrink.

But, total expenses have jumped about three percentage points for each—from 24.54% at discount stores, 33.06% at department stores—and stock turns have remained flat.

	Discount Stores[a]	Department Stores[b]
Gross Margin	29.47%	42.94%
Cumulative Markon	36.55%	47.52%
Stock Turns	3.20	3.33
Profits After Taxes[c]	1.41%	4.06%
Stock Shortages	1.41%	2.03%
Total Expense[c]	26.03%	37.17%
Advertising Expense[c]	2.62%	2.52%
Sales/Sq. Ft. of Selling Space	$104.84	$119.98
Leased Department Sales[c]	3.78%	5.47%

[a]From National Mass Retailing Institute's Operating Results of Self-Service Discount Department Stores, 1980-81 study conducted by Cornell University, covering 30 chains.
[b]From National Mass Retail Merchants Association "FOR" Report for 1981 covering chains with over $100 million in sales.
[c]As a percentage of sales.

Pretax Profits

(Continued from page 3)

Overall sales per square foot in department stores rose to $114.87 in 1980, up from $110.52 in 1979. Small department stores, those with sales in the $10 million to $20 million range, experienced the greatest rise in sales per square foot, to $113.97.

Smaller specialty stores also rose sharply in sales per square foot, to $165.09 in 1980 from $154.72 in 1979. (Smaller specialty stores are that group with sales in the $1 million to $5 million range.) But the specialty stores as a whole reported a small decline in sales per square foot, to $162.05.

Cash business at the department stores rose, probably as a result of the credit controls put in place in 1980, and credit sales overall dropped to 49.85% of sales in 1980, down from 54.06% the year before. Third-party credit cards, however, almost quadrupled in sales in the department stores. In 1979, 2.04% of sales came on third-party cards, and in 1980 that percentage rose to 7.92% of sales.

Specialty stores, where third-party cards have always been more of a factor, showed a small increase in that business, from 16.34% of sales in 1979 to 17.02% in 1980.

Heck's Dividend

CHARLESTON, W. Va.—Heck's declared a quarterly cash dividend of 6¢ per share on outstanding common stock payable Nov. 27.

The lone gainer.

SunSensor® lenses by Corning. The only major brand gaining unit sales in today's sunglass market. The most profitable sunglasses you can sell.

Heavily supported by television advertising starring masked man Clayton Moore. "Hi-yo- Silver and greenbacks, away!"

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Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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SPECIAL REPORT:

HOW *DOES* WAL-MART DO IT?

With higher-ticket promotions . . .

Up to 100 promotional tables in the typical Wal-Mart generate a higher sales-to-total ratio than most competitors. What's more: the average Wal-Mart promotional price tag is roughly two times higher on table items than competition (at margins in the 35% range). Result: higher-than-average gross profit.

Source: DSN *survey*

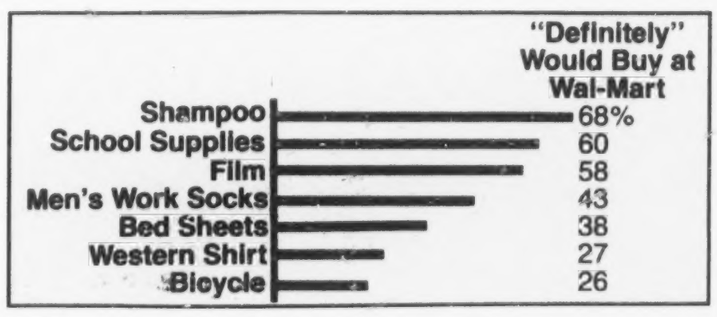
. . . a tight grip on shopper spending

In Russelville . . .	Wal-Mart	T.G. & Y.	K mart	Magic Mart
Per Cent Who Shopped During Past Year	98%	79%	82%	71%
Average Number of Trips	45.8	18.5	11.8	13.7
Average Amount Spent	$21.50	$16.90	$20.50	$13.00

Typical Wal-Mart shoppers say they make more trips to Wal-Mart stores than competing discount outlets—and spend more of their shopping dollars when they get there. And: most believe Wal-Mart offers "the best values, selection, prices and convenience" in their towns.

Source: Leo Shapiro & Associates

. . . and 'lean-mean' item merchandising



Sharply priced item merchandising programs give Wal-Mart an unmistakable "lock" on select categories vs. its major competitors. More than a fourth shop Wal-Mart for these seven basics (chart).

Source: Leo Shapiro & Associates

Over the past decade, Wal-Mart Stores has literally exploded from a small southwestern sectional chain ($31 million sales in 32 stores) into a major regional "super power" in discounting, today with over 400 stores strung across 12 Sunbelt states. This year, chain volume will top $2.4 billion—and should nearly double again in the next two years.

It's little wonder that Wal-Mart is the "darling" of discount store retailing. Its 40% compound annual growth rate overshadows K mart's once-awesome expansion record and its persistent 3% net-to-sales is understandably the envy of most competitors.

The question they all ask is: How do they do it? What *is* the Wal-Mart secret?

A Major Factor

If there is a secret, part of it is Wal-Mart's success in keeping "old" stores outperforming the inflation rate year after year; at the same time it has multiplied its total store-base more than ten-fold. In fact, between one-third and one-half of Wal-Mart's real growth today is attributed to same-store increases, at a time when competitors are struggling to hold their own comparable-store sales even with inflation.

And, in a growing number of Sunbelt markets, Wal-Mart has apparently developed a grip on shopper loyalty that can only be compared to K mart's or Sears' consumer franchise nationally. Wal-Mart clearly outplays all of its top national and regional rivals in the daily battle for shopper dollars, as recent studies (charts facing) indicate.

Wal-Mart's "power alley" merchandising strategies (above), linked with rigid cost control disciplines that put more "stretch" in Wal-Mart profit margins, and a unique blend of participatory management and entrepreneurial guidance all contribute to the chain's modern-day "mystique."

Still In Question

Now, new questions loom for the Bentonville, Ark.-based chain as it strides further into the decade of the 80's: Will the recent Big K acquisition and store conversions pan out? Can its "grass-roots" form of management hold up as Wal-Mart Country (and geography) spreads further from home? Can Wal-Mart prosper as an 800- or 1,000-store chain in an era of fast-changing consumer values and economics?

In the probing full-issue study that follows (beginning on p. 13), *Discount Store News* examines these questions and others and comes to this tentative conclusion: *If* Wal-Mart manages to avoid the stiff joints and slowing gait that tripped up other "go-go" rivals when they "got too big" or "became too safe in their thinking," K mart may have to move over, in 1990 or soon after, to make room for a new king of the hill in discount store retailing.

—DOUG STINSON

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Buyers at APAA Show Are High on Seat Covers, Eye Body Repair Items

CHICAGO—Seat covers and auto body repair items were the big stars at the 1981 Automotive Parts and Accessories Association (APAA) show held here last month.

While traditional DIY (do-it-yourself) items continue to be popular—both at the show and in discount stores—auto buyers polled at the show said that this year's action was in seat covers, Indian blanket and fur types—carrying price tags close to $100.

Some buyers were surprised at consumer interest in the high-ticket items. Only a year ago buyers had reported a sharp drop-off in consumer purchases of high-ticket appearance items thanks to the downward-spiraling economy.

Buyers at the show were also looking at auto body repair items—for example, dent pullers and refinishers and foreign car parts—considering adding them in 1982 for their DIY customers who are fast becoming accomplished auto mechanics.

Gary Molenburg, buyer at Jefferson/Ward, "couldn't keep up" with the increasing demand for seat covers and other dress items in his chain. "The category as a whole has really expanded in the last year, especially the fur-type of covers," said Molenburg, who added that he expects the sales boom to continue into spring 1982.

Another reason for the optimism shown in the seat cover category is the change in unit packaging. This year's show was the first where most manufacturers went to box rather than bag packaging. The change gave many buyers the chance to display the merchandise more creatively, and consequently to boost sales.

Buyer Jim Rist of G. C. Murphy also looked to enter the seat cover category in time for spring '82. "I'll be adding sheepskin covers to our line and possibly other types depending on what else I see here," said Rist, who also mentioned that car body repair items will be added to his auto lineup next year.

However, not everyone was sure the category was for them. Buyer Bob Schnebelen, of Little Rock, Ark.-based Magic Mart, looked at many of the lines being offered, but viewed the item as "highly ethnic" in nature and too expensive for his mix.

"If I was going into the seat cover market I would probably have to retail the item at a regular price of $69, and I don't believe our average customer will pay that price," explained Schnebelen.

Besides seat covers and body repair items, foreign auto parts are another area buyers will be strengthening next year. Many discounters at the show reported that they were finding it profitable to cater to foreign car owners.

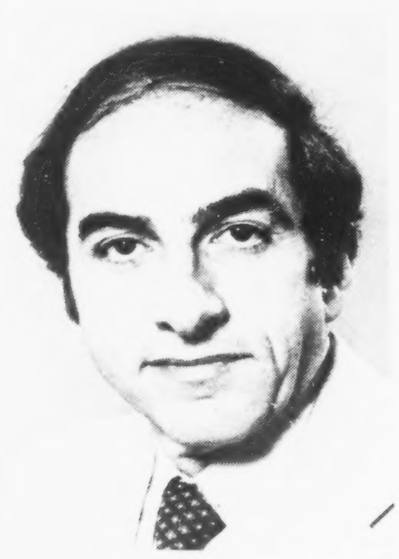
Doug Capps, buyer at Wisconsin-based ShopKo, currently features an 8-ft. imported part section which is adjacent to, but not integrated with, his domestic section.

Despite what Capps termed "the low percentage of foreign

(Continued on page 106)

Bruce G. Allbright

Gerald L. Kanter



Robert Floum

Allbright's Departure For Woolworth Caps Executive Turnover at Target

MINNEAPOLIS—The extensive top executive turnover at Target—capped by president Bruce G. Allbright leaving to join F. W. Woolworth Jan. 1 to head up the United States Woolco and Woolworth operations—has resulted in observers wondering what will be the impact on the pacesetting, upscale discounter.

(George W. Nelson, Allbright's predecessor at Woolworth, is taking early retirement.)

Allbright, who has been president of Target for four years, made his move just days after Target completed a major reorganization of its top staff by creating an executive vice president-marketing post as the top merchandising spot to go along with the exec vp, store operations, position established earlier this year.

The reorganization of the top merchandising staff last month came just a half year after Target strengthened its Midwest base by revamping 40 acquired Ayr-Way stores, and Stephen Pistner lured away a group of Dayton Hudson and Target executives to Montgomery Ward.

The moves have Target watchers asking this question:

What effect will the loss of five key executives—four of them going to Montgomery Ward—have on the discounter?

Company executives asserted that the merchandising staff changes were geared to handle Target's long-range growth, and weren't related to the loss of the four executives that preceded Allbright's upcoming move to F. W. Woolworth as chairman and chief executive officer of the United States Woolco and Woolworth arms.

Target's merchandising staff changes also saw the former key tier composed of two senior vp, general merchandise managers, further broken down into two hard lines spots and one soft goods post.

The merchandising realignment saw Gerald L. Kanter, senior vp, gmm, soft lines and seasonal, promoted to exec vp-marketing. This new spot is the merchandising twin to the exec vp, store operations, post filled by O. C. Adams, who was advanced from senior vp, store operations.

Kanter's soft lines responsibilities went to Robert Floum, vp, merchandise manager, soft lines, who was named senior vp, gmm, soft lines.

(Continued on page 105)

Intimate Apparel Market Is Seen Growing From $5B to $8B Over the Next Five Years

NEW YORK—Industry officials estimate that the intimate apparel market will grow from $5 billion to $8 billion over the next five years.

Discounters, which currently have a 22% share of the market, expect to garner at least 20% of the new growth.

According to a panel of manufacturer and discounter representatives at the New York Underfashions Club, it's time for manufacturers to "get their heads out of the sand" when it comes to servicing discounters, and for discounters to pay closer attention to their departments.

In the first in a series of seminars sponsored by the Underfashions Club (a group of lingerie manufacturers and retailers founded in 1958 as the Corset and Brassiere Women's Club), the topic was "Don't Discount the Discounter." Panelists—including Venture's Maxine Clark, senior vp of advertising and promotion, and Gwendolyn Widell, buyer; Irwin Roseman, vp marketing, Lovable; and Steve Delman, president, Splendorform—provided a view of the changing form of the intimate apparel scene in discount stores.

Clark, speaking for Venture, which has gone to an all-hanging intimate apparel department and instituted a new test program for category identification, told the retailer/manufacturer audience: Venture, like other discounters, is adapting to the changing marketplace.

"Discounters are vying for the same discretionary dollars as traditional department stores and specialty stores," said Clark. She added that the stigma attached to shopping a discount store has disappeared with the state of the economy and the advent of more upscaled discounters.

To change with the marketplace, Clark said Venture and other discounters have "traded up, tempered by reality," still offering their customers value in terms of price, personal identification with product and time savings.

Widell, a former buyer for Macy's and I. Magnin, explained Venture's philosophy: "We go narrow and deep in a classification. We cull the assortment and show minimal styles and presentations."

(Continued on page 94)

Heck's Gains New Indiana Foothold By Acquiring 14 Mr. Wiggs Stores

CHARLESTON, W. Va.—Heck's has acquired 14 Mr. Wiggs stores, obtaining a foothold in a relatively new Indiana market and strengthening its position in northeastern Ohio and its nine-state trading area.

With the acquisition, Heck's also boosted the number of units operated over 100 (to 110), while Mr. Wiggs all but made its exit from discounting.

Mr. Wiggs will continue to operate only one discount store, in Steubenville, Ohio, with the bulk of its business thrust now centered on Arrow Distributing, a music distributor, and four RTW lease operations in Youngstown, Ohio.

According to a statement released by Edwin Z. Singer, chairman of the Beachwood, Ohio-based Mr. Wiggs, the sale came because of the increased difficulty of making a small company prosper in mass retailing. Singer was unavailable for further comment. No purchase price was announced. In 1980, Mr. Wiggs sold five Kentucky units to Heck's.

That gave Heck's 18 units in the Bluegrass state, including entry into one of the state's major city markets in Lexington. Continuing to strengthen its position in that market and simultaneous with the latest acquisition announcement, Heck's opened its newest and 96th unit in Winchester, Ky., near Lexington.

The newly obtained Mr. Wiggs are located in Sandusky, Fremont, Wooster, Piqua, Tiffen, Painesville, Van Wert and Port Clinton, Ohio, and Fort Wayne (3), Richmond, Marion and Auburn, Ind.

Prior to obtaining the Indiana locations, Heck's presence in that state was limited to Madison and Kokomo. The Kokomo unit, a former Tradeway store, was acquired just this fall.

The 14 additional units also represent a 20% increase in selling space (788,000 sq. ft.) to the discounter. The stores, ranging in size from 43,700 sq. ft. to 71,000 sq. ft., generated sales of $53 million for Mr. Wiggs in 1980.

Under the terms of the sale agreement, signed Nov. 25, Heck's will take over the stores Jan. 5, including remaining merchandise and fixed assets. The majority of the Mr. Wiggs employees will be retained.

Heck's executives said the new stores will be redesigned and remodeled and will reopen under the Heck's nameplate in March.

Heck's opened 10 new stores in 1981, including a new unit in Waynesboro, Va., which opened the same day as the Winchester, Ky., unit. The discounter also operates stores in West Virginia, Tennessee, Pennsylvania, North Carolina and Maryland.

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Vol. 20, No. 24 Dec. 14, 1981

Increased Initial Markups Protect Gross Profits From Markdown Impact

NEW YORK-Higher initial markups protected discounters' gross profits from the heavy markdown pressures they took in many categories in 1980/81, according to the Mass Retailers' Merchandising Report recently released by the National Mass Retailing Institute (NMRI).

Higher markups protected gross profits (even with higher markdowns—both promotional and otherwise) in almost every soft goods category—except women's blouses, men's wear and jewelry—as well as in housewares, paints and accessories, and toys and games. The NMRI studied 47 discounter departments.

Discounters also bought extra profit margin points in records and tapes and pets and accessories, thanks to higher initial markups and lower markdowns compared to 1979-80, the last year the study was completed.

Gross profits declined in 14 departments including high-traffic areas such as traffic appliances, drugs and cosmetics, auto accessories and sight and sound.

In the 27 categories gaining gross profit ground, the largest average gain was posted in discounter home improvement departments with gross profits up 21.1%, compared to the 1978/79 report.

In 15 other merchandise categories, gross profits declined and in 10 of those 15 categories inventory turnover also dropped.

(Continued on page 106)

Performance of Key Categories a Mixed Bag

	% Total Store Sales		% Maintained Markup		Annual Promo Markdown		% Gross Profit		Turns	
Department	'79/'80	'80/'81	'79/'80	'80/'81	'79/'80	'80/'81	'79/'80	'80/'81	'79/'80	'80/'81
Men's Wear	7.9	7.5	38.7	37.6	7.9	6.7	35.2	35.8	3.6	3.4
Drugs & Cosmetics	7.3	7.5	26.7	26.7	NA	8.0	24.6	24.4	4.2	3.8
Women's Blouses, Sports, Leisure & Beach Wear	5.9	7.2	39.6	39.7	5.8	6.4	33.1	37.2	4.8	5.1
Housewares	6.7	7.1	35.0	35.8	8.9	9.4	32.9	34.6	3.8	3.2
Domestics	5.8	6.2	36.3	37.3	10.2	10.7	36.1	35.9	2.7	2.7
Toys & Games	6.2	6.1	31.2	33.8	6.7	7.0	29.2	30.6	4.0	2.8
Shoes	3.8	4.5	41.6	44.0	NA	NA	39.3	41.5	2.3	2.4
(Inside) Auto	5.0	4.2	31.2	30.4	8.7	9.2	29.8	28.6	4.0	3.2
Men's Coats, Outerwear, Sportswear	5.8	4.1	37.5	41.0	NA	6.0	35.3	36.8	3.5	3.4
Boys'	2.8	3.5	37.4	39.3	6.7	7.4	35.8	35.6	3.3	3.3
Hardware	4.6	3.3	36.4	36.4	7.9	8.2	34.8	35.7	3.0	2.3
Infants' Wear & Juvenile Furniture	2.9	3.1	33.3	36.9	6.1	6.3	33.4	33.9	3.6	3.8
Sporting Goods	3.4	3.1	29.0	32.1	NA	8.7	29.1	30.0	2.5	2.6
Girls' Wear	2.7	2.9	35.0	39.9	4.1	5.7	36.0	37.0	4.1	3.9
Lawn & Garden	3.4	2.7	28.4	29.5	9.6	11.3	26.8	25.2	4.4	4.0
Photo (Includes Photofinishing)	2.4	1.8	16.8	18.5	NA	8.9	17.1	16.7	4.1	4.2

□ = *Decline* ■ = *Increase* *NA = Not available* *Source: NMRI*

K mart Adopts New Financing Method For the Majority of Its Future Stores

TROY, Mich.—K mart and its developers have turned to a new, innovative method to tap the public money market for financing the construction of new stores.

The discounter joined with Merrill Lynch to put together a debt-security package that involves the sale of the mortgages of 25 K mart stores—about half developed by the discounter—and which will raise $80 million from the premier issuance of the securities.

A K mart spokesman said the discounter "plans to use this method of financing for the majority of its new stores in the future," including those built by the discounter and by developers.

The 25-year mortgage securities were being issued just as K mart reported mixed results for its third quarter ended Oct. 28: Sales went up 19% from $3.37 billion to $4.02 billion, while net earnings plunged 56% to $14 million from $30.06 million.

A short interest report issued by the New York Stock Exchange at the same time showed that short positions in K mart stock shot up 35.3%, to 203,386 shares on Nov. 13, compared with 150,345 shares on Oct. 15.—a sign of investor concern about K mart's sales and earnings in the face of the recession.

K mart, however, is more concerned about the availability of mortgage funds (both for itself and for its developers) for the approximately 170 new stores the discounter plans to open during each of the next few years.

(Continued on page 98)

K mart Trades Up Catalog For Yule; Prices Reappear

TROY, Mich.—K mart has traded up its Christmas catalog.

The second year into its holiday catalog program, the discounter raised the page count to 32 from 24 a year ago and moved up to rotogravure printing, improving the art work along the way.

The message was clear: Branded hard goods and fashion (an eight-page apparel spread debuted in this year's catalog) underscored by the quality of the handout, six million of which were stuffed into shoppers' bags across the country.

Price got less stress this year with the discounter committing to prices that were higher, in many cases, than those of both discounter competitors and catalog showrooms. A *DSN* price check in various markets around the country, however,

(Continued on page 105)

New Maxway Upscales Presentation, Not Mix

PEARISBURG, Va.—In a community of 25,000 people with an average per-person working income of approximately $7,000, trading up is not the route to follow to achieve a successful discount store business.

That was the message sent by the new Maxway here, the chain's fourth discount store. Although officials commented that they are taking their cues from such upscale discounters as Target and Venture, it is the presentation that is upscale while the mix is basic and holds the line on price points.

In cutting back the number of sku's and gondola runs, this 33,-800-sq.-ft. store, 28% smaller than its predecessors, is expected "to produce the same sales as our larger stores with a much better return on investment," according to J. Craig Dodson, president of Macks, operator of Maxway. Dodson said that the chain's other Virginia store, in Wythesville, has experienced some difficulties with sales since it is in head-to-head competition with an established Rose's store.

The Pearisburg store, in a developing mall with an open Rite Aid drug store and a Food Town grocery store under construction, faces limited competition from an independent discount store. Maxway's strength is in its 45% soft lines mix, with a new apparel presentation and an expanded domestics department.

Frank Warner, merchandise vice president, said: "This is the first time we are leading people directly into apparel." In the other three stores, apparel is found in the center; here it is placed along the right side of the entrance on a carpeted floor. Obviously, Maxway is following the lead of other chains that are attempting to more fully capitalize on apparel's strong margins.

Blue signs hang above all the soft-line merchandise, with orange indicating hard lines. Warner commented: "We want to show our customers a clarity

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Gold Circle Opens Smaller Store

Gold Circle chairman Norman Matthews (l.) and president Jim Guinan (r.) look for better return on investment in 1982 for their 36-unit chain via new strategies introduced at the new Severance Center location in Cleveland Heights, Ohio, including more mall locations scaled to the smaller 85,000-sq.-ft. size, with an improved/upscaled decor and presentation.

By Betty J. Taylor

CLEVELAND HEIGHTS, Ohio—Smaller stores and mall locations will figure prominently in Gold Circle's future, as the 36-unit division of Federated Department Stores looks to improve its return on investment and profit contributions to its parent company.

In a new 85,000-sq.-ft. store—which is nearly 25% smaller than traditional Gold Circles—opened here in suburban Cleveland, the strategy is to move the same assortment found in larger stores into a more compact area, via taller, higher fixtures and trimmed nonselling space. The result, chain officials expect: more turns on merchandise and greater sales per square foot.

This, the chain's ninth store in the Cleveland market, is also evidence that Gold Circle is committed to building new stores in existing Midwest markets. Earlier this year, Gold Circle closed seven California stores in an exit from that market, and announced plans to concentrate closer to its distribtuion center and home base in Columbus, Ohio.

The new unit, located in a new wing of Severance Center—Cleveland's oldest mall—will be the model for at least three stores planned for 1982. New units, including two in mall locations, are to opened in Cincinnati, Rochester and Pittsburgh. The refined decor and presentation of the Severance store will also go into three Clarkins takeovers in Ohio, which are scheduled to be remade in 1982.

Chairman and ceo Norman Matthews said the parent company is committed to an aggressive expansion program. The search is on for new markets near the distribution center that have the density of population, competition and growth that will allow the chain to meet corporate standards for return on investment. The move to a mall, for the synergy created in that atmosphere, and the reduced store size are also efforts

(Continued on page 97)

Last of Two Guys' Stores Reportedly Will Shutter Next Summer

(Continued from page 3)

Pa., and Union, North Bergen, Jersey City, Kearny, Lodi and Toms River, N.J.

More than a dozen discounters have been offered sites by Interstate Properties. These chains, which have stores in various markets in Pennsylvania, New Jersey, New York, Maryland, Connecticut and Massachusetts where Two Guys has units include K mart, Woolco, Cook United, Caldor, Lloyds, Nichols, Times Square Stores, J. W. Mays and Alexander's.

Bradlees, Jamesway, Clover and Hills executives said their companies have looked at some sites as possible acquisitions. Ames has ruled out any Two Guys stores, with an executive citing their large size and unfavorable locations.

Two Guys owns most of its stores. The chain is also unionized, and this could present major problems for anyone taking stores. Most other discounters aren't unionized and wouldn't want to take on unionized workers.

As for the latest group of executives let go, they include Jerry Jay, assistant vice president, advertising and sales promotion; Erich Meder, assistant vp, internal sales representative, and soft goods merchandisers Frank Zozzaro, Alice London, Jim Heayn, Lowell Adams, Michael Silverman, Sey Orlowsky and Robert Hollis, and hard lines merchandisers Shel Gordon, Gerry Seifert, Ralph Ricci, Robert Gawlowski, Paul Egan and Joe Stettner.

A number of discounters have started to hire Two Guys' field level and store personnel, but no headquarters executives or merchandisers have been signed up.

The going-out-of-business sales are being conducted by Two Guys employees, but the discounter is using outside consultants to coordinate the promotion.

Vornado operated its greatest number of stores in 1977, when it had 82 Two Guys, 58 Builders Emporium home centers and three Sutton Place catalog showrooms.

But in that year it began to sell off stores as profits plunged from $11 million on $762.8 million in sales in 1972 to only $38,000 on $946.5 million in volume in 1976.

Twenty-two Two Guys in California were sold in late 1977 to FedMart, while the Builders Emporium chain was sold to Wickes in two stages in late 1977 and early 1978.

The drastic scaling-down of the Two Guys operation came as Vornado's sales dropped to $933.6 million and it had a $9.8 million loss in 1977. The next year paper profits went up to $10.7 million, due to the gain from the sale of the Two Guys and Builders Emporium stores and a change in accounting for warehouse costs, but sales continued to drop, hitting only $675.2 million.

It was all down hill after that, as sales continued to drop and losses mounted, hitting $3.6 million on a volume of only $615.5 million in 1980.

Complicating Two Guys' problems was a bitter proxy fight waged by Interstate Properties in 1979 which resulted in the insurgents winning three seats on the board of directors, with another two going to them the next year.

Interstate Properties, in its battle, had argued that Two Guys was worth more as a real estate operation than as a retailer. The insurgents promised to shift the company's focus and began to do so at the start of 1980 by leasing and/or selling a dozen stores in the Greater Philadelphia Area to Montgomery Ward.

Increased Initial Markups Protect Gross Profits

(Continued from page 5)

Discounters were able to hold the line on (average) maintained markup during the latest period. In 23 of the 47 categories, maintained markup as a per cent of sales was higher than it was a year ago. Women's coats and suits posted the greatest gain with maintained markup rising 25.1%; the greatest decline (in average markup) was in costume jewelry, down 13.4%.

Promotional markdowns as a per cent of total department markdowns rose in 16 of the 47 categories studied.

On the soft goods side, promotional markdowns were greater during 1980/81 in women's coats and suits; lingerie and foundation garments; hosiery; blouses; sweaters; sports, leisure and beach wear; girls' wear; boys' wear; infants' wear; domestics; handbags and accessories, and jewelry and watches.

On the hard goods side, average promotional markdowns were up in housewares; hardware; toys and games; lawn and garden, and inside automotive accessories, not including service or labor charges.

Promotional markdowns on candy also increased during the period.

Insufficient data was available for comparison for 22 of the categories; promotional markdowns as a per cent of total markdowns were reduced in nine categories, including traffic appliances, sight and sound, men's wear and women's dresses.

Total annual markdowns were up in 36 of the 47 categories and were reduced in five: books, pets and accessories, records and tapes, men's furnishings and women's foundation garments. Comparable data on the six remaining merchandise categories was unavailable.

Annual markdowns taken, in addition to home improvement, more than doubled on stationery, where they totaled 8.1% in 1980/81, up from 4% in 1979/80, and on jewelry and watches, up from 7.4% to 16.8%.

Auto

(Continued from page 4)

cars in his home state," he is looking to expand his basic DIY import selection with a deeper array of oil and air filters and spark plugs.

"However, there's still not enough activity for us to devote an entire section to import parts alone," he added.

Unlike Capps, Molenburg of Jefferson/Ward has his foreign part mix integrated with domestic parts. "We combine the two categories because of the similar price structure and we've found that tie-in sales have also increased," he explained.

On the strength of its success in foreign car parts, Clover added foreign repair manuals during the past year. At the same time it expanded the foreign parts section from 4 ft. to 6 ft., according to Charles Hirschfeld, Clover's auto buyer. Hirschfeld expects the area to continue to grow in 1982, especially in the highly urban areas where most Clover units are located.

While most buyers at the show were there to fine-tune their departments, one chain sought to totally revamp its long-neglected auto section.

Newly appointed Grand Central auto buyer Dean Stokes (formerly divisional merchandise manager, hard lines, at Cook United) was walking the show looking for goods to build his department from 140 linear ft. today to 210 ft. in 1982. "Our auto department has been neglected in favor of the other hard line departments that had better bottom lines," Stokes said. "We're here to rectify that situation."

Seat covers, both sheepskin and the Indian blanket types, chemicals and touch-up spray paint were all at the top of Stokes' shopping list. Currently these categories are "weak or virtually nonexistent" at Grand Central, he said.

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Mass Merchandisers Cut Shrink: P. 3

Discount Store News®

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Digest

Sections:

Today's *DSN* starts four sections to appear in every issue, and one, Specialty Store News, to appear every other issue:

Hardware

Kerosene heater sales march on as consumer advertising, awareness increase. (p. 6)

Blister packs are muscling out bulk nail displays at chains. (p. 6)

Housewares

Stemware and combo sets are getting year-around attention by discounters in glassware departments. (p. 10)

Bradlees' chair/seating items get departmentalized. (p. 10)

H&BA

Toothpaste wars are brewing and discounters are finding it tough handling new brands. (p. 12)

Sun preps give discounters jump over supermarkets. (p. 12).

Catalog Showroom News

Service Merchandise opens a mini-showroom. (p. 21)

Gordon Jewelry will open five stores in fiscal '82. (p. 21)

Specialty Discounters

Video equipment is the major growth area in electronic departments. (p. 22)

Filene's Basement to spread to New York. (p. 22)

Consumer Electronics Show: Pp. 27-39
20th Anniversary Nostalgia Quiz: P. 2

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King's Future Is in Question As Losses, Closings Mount

NEWTON, Mass.—The continued operation of King's is in question as store closings and operating losses mount, and competitors begin bidding for remaining pieces of the chain.

Additional turmoil hit the company with the resignation of president Paul Kwasnick shortly before Christmas, though the company had made no comment about the resignation at presstime. Executives at King's, including Kwasnick, refused to comment on the resignation or the store closings.

Closings in recent weeks and others scheduled—59 to date—will soon leave the chain with less than 200 stores, prompting observers to wonder what KDT chairman Sol Kittay's next move will be.

(Kittay owned a 12% controlling interest in King's, along with the 63-unit Barkers and 102 Franklin variety stores, when he engineered King's purchase of those stores in 1980. King's absorbed Barkers and grew to 253 units, becoming KDT. Franklin was sold to Petrie Stores.)

The number of stores to be closed has already outstripped the 50 units orginally mentioned by King's in mid-September, and *DSN* has learned that at least one competitor, Jamesway, had a verbal agreement for acquisition of King's stores that were not included in the original closing list. A signed deal was expected this month.

Paul Kwasnick, president of King's for several years during the 70's and recalled to the top spot by King's chairman Sol Kittay for a second term last year, has resigned.

The negotiations signal that more closings are on the way, leaving the eventual size of the pared-down chain a mystery. Continued losses would probably fuel further jettisoning of stores. King's put off announcement of its third-quarter results, which included large losses, for several weeks.

Immediately prior to the release of third-quarter results, which showed a loss of $29.4 million for the quarter and $34 million for the nine months ended Oct. 31, KDT stock hit a new low for the year of 4⅜. It had been as high as 12⅛ early in 1980. The net loss included a $41.2 million deduction for the quarter and $40.5 million for

(Continued on page 46)

Several Chains Run Below Game Plan

Yule Volume Bleak Omen For Toy Fair

Nationwide DSN Report

A spate of early, deep-cut promotions and canceled reorder plans marked the final weeks of the Christmas season in toys, as flat business to that point provided bleak prospects for this year's Toy Fair.

Several chains—spread from the Northeast to California—reported running below plan in the toy department, 2% to 5% in some cases. Though most budgets were within reach with a surge in late-season sales, as happened last year, discounters reported planning conservatively for 1982. At least one major chain will cut its ordering at the Toy Fair dramatically.

"If we spent 'X' at the Toy Fair in 1981, we will reduce that by 25% to 30% for 1982," a spokesman at Woolco said. "We will approach the Toy Fair in a conservative manner, and put ourselves in a position to reorder if needed."

Other chains said no significant changes in their approach to the Toy Fair would be made, although they did change reordering patterns late in 1981.

At King's, a spokesman reported the chain was "ahead of last year in all toy categories," but reordering was cut off a week to 10 days earlier than usual to put the chain in a better inventory position for this year's first quarter.

A spokesman at Fisher's Big Wheel said reordering was down almost 50%—in a move to increase turns with the reduced inventory—and said the chain "would not buy into last-minute problems." A merchandiser at Prange-Way said reorders at that chain were also down from last year, though the day after Thanksgiving had been the largest-volume day in the chain's history. Woolco cut off its reorders a full month earlier than in past seasons, a spokesman said.

Manufacturers also noted the marked decrease in reordering from discounters as the season wore on, including some cancellations from chains such as Wal-Mart, T.G. & Y. and Target. They also reported "doing very well with K mart" on items that the chain advertised.

(Continued on page 47)

The lagging economy took its toll on discounter toy departments, forcing some to take dramatic action: Gold Circle, here in Cleveland Heights, Ohio, sliced 20% off every toy sticker price. *(DSN photo)*

Woolco Quitting Little Rock, Atlanta; Chicago Pullout Talks Make Progress

NEW YORK—Woolco is closing out its fiscal year by pulling up stakes in Little Rock, Ark., and shuttering its last remaining Atlanta store.

In Chicago, talks for disposal of the seven Woolcos there are reportedly "fairly well down the road." A company spokesman said a signed agreement for the stores is unlikely before the fiscal year ends (Jan. 31), though the units are almost sure to go before the end of this calendar year.

"Chicago, Atlanta, and Little Rock represent total evacuation of a market," said F. W. Woolworth senior vp of corporate development Harold Sells. "There will be other closings, but those will be isolated cases of stores that are not performing in a given market."

Woolco will also begin the new year by remodeling up to 25 units over the first half, featuring women's wear departments which are 25% larger than in traditional Woolcos, at 12,000 sq. ft.

No one has picked up the Atlanta Woolco, the chain's sole unit there since the 1980 closing of two other Woolcos, but the lease on the space is nearly up. The three Woolcos still operating in Little Rock have been acquired by Target, which will begin remodeling them in mid-March. The units will be Target's first in Arkansas. Woolco has two more units in the state (Fort Smith and El Dorado) which it will continue to operate.

Woolco expects to close half of the more than 30 stores on its "disposal list" during 1982, in continuing efforts to achieve a turnaround from lackluster performance. The pruning will be coupled with the budgeted addition of nine new stores to be scattered among the chain's markets.

"The 30-plus stores is the number we would be willing to get rid of, if we could get a favorable real estate deal. We would sublet or sell the lease back to the landlord, and make better use of the dollars," Sells said. "About half of the total will probably go in 1982. These are not situations where it is so bad that we have to close and get out; they are borderline-to-minus situations that we can live with."

Referring to Chicago, Sells

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HARDWARE

Fringe Products Again Become 'Never Outs'

Hardware buyers loosened their inventory purse strings a little last year, putting Christmas orders slightly ahead of 1980's sales.

Much of the gain evident in the November '81 Product Movement Audit reflected more liberal sku replacement programs, which discounters put into play in 1981. "Items that became fringe in 1980, such as flame tips for propane torches, once again became 'never outs' in 1981 as discounters once again began to fill their shelves on a more regular basis," said Steve Plecko, tool merchandise manager for Stem Distributors, Maple Heights, Ohio.

Staples were Stem's top sellers once again this past holiday season, with the #9330 Dustbuster—a gift favorite—the top dollar mover, up from the third spot in the spring selling season. Interestingly, two new B & D items, an electric tacker and a nail gun, did not finish among the top 15 dollar items, mostly because the manufacturer did not put the kind of consumer ad dollars behind the items as it put behind the Dustbuster or its three Workmates. With the holiday ads timed to break at the end of October, discounter inventories were ready.

The #79-003 Workmate 27-in. single-height model finished third, up from 13th place in the June 1981 PMA; the #790009 Workmate 27-in. dual-height model placed fourth after not placing in June; and the #79-020 Workmate slipped from sixth to seventh place—although 861 more units moved than in June.

As for the power tool category, it "has gone well because we have concentrated on basic assortments," according to Ray Fondran, Stem's power tool merchandise manager. Although Stem has been seriously looking to trim its power tool line, it has not yet gotten out of Skil or cut back on its Wen stock as previously planned.

In the power tool PMA listing, the #574 Skil 7¼ 13/4h.p. circular saw and the #919/PR19 Wen 3-in. belt sander were each line's top dollar mover.

In hand tools "there is a more optimistic attitude at the retail level," reported Plecko.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	BLACK & DECKER			
1	9330 Dustbuster	3,056	30.25	92,4[illegible]
2	7127 3/8 Drill, var speed rev	3,001	24.71	[illegible]
3	79-003 Workmate single htg	1,235	53.14	[illegible]
4	79-009 Workmate 27"-dual ht	765	85.25	64,449.00
5	7308 7¼-Circular saw	1,716	33.08	56,765.28
6	7190 3/8 Drill, V/S rev-lock	1,445	34.41	49,722.45
7	79-020 Bench top, Workmate	1,045	39.73	41,517.85
8	7390 7¼-Delxe circ saw D/I	772	46.55	35,936.60
9	7580 Jig saw, variable speed	1,082	29.91	32,362.62
10	7004 ¼ Drill, dble/insul	2,124	13.89	29,502.36
11	7504 Jig saw, dble/insul	1,799	15.46	27,812.54
12	7404 Sander, dbl/insul	1,052	24.43	25,700.36
13	7300 5½-Circular saw	820	29.70	24,354.00
14	7104 3/8-Drill, dble/Insul	1,246	18.01	22,440.46
15	7436 Sander, dual/act 13 sht	600	28.64	21,480.00
	IMPORTS			
1	T440 Int/Sls 40-pc socket set	4,879	9.00	43,911.00
2	T221/02-248 21-pc ¼ & 3/8 socket set	5,762	6.75	38,893.50
3	DP3MJ 3-spd, 8"-drill press	226	105.00	23,730.00
4	419P ½x3/8x¼ Comb skt set, 52-pc	812	22.95	18,635.40
5	TK62 Comb socket/tool set, 62-pc	365	29.25	10,676.25
6	DB500 ¼ HP, 5"-bench grinder	254	40.50	10,287.00
7	T226 Int/Sls 3/8 deep skt, 26-pc	681	14.99	10,208.19
8	T35 Int/Sls 3½" bench vise	763	11.70	8,927.10
9	615-2 2-Ton cable hoist puller	324	24.75	8,019.00
10	A118 Int/Sls 5/8x14'-tow tope	785	7.92	6,217.20
11	T40 Int/Sls 4"-bench vise	374	14.25	5,329.50
12	T199/SH7VP 7-pc wood hndl S/D set	619	4.49	2,779.31
13	T4 Int/Sls 4-lb splitting wedge	552	4.49	2,478.48
14	752B 4-Way crimping tool	408	5.63	2,297.04
15	T8S Int/Sls sledge hammer, 8 lb	168	13.59	2,283.12

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	POWER TOOLS			
1	W-280 Wagner power painter	177	98.44	17,423.88
2	574 Skil 7¼, 13/4HP-circular saw	329	42.00	13,818.00
3	571 Dremel Moto-shop saw/sand comb	168	64.10	10,768.80
4	2501 Dremel Moto Kit/25 acces sgl	255	40.41	10,304.55
5	584 Skil Var/rev 3/8-drill	274	32.24	8,833.76
6	919/PR19 Wen 3"-belt sander	96	48.79	4,838.40
7	2003 Skil Cordless 3/8-quick chg	98	39.09	3,830.82
8	573 Dremel Moto Shop accessory kit	163	22.78	3,713.14
9	943 Wen 7"-sander polisher	71	48.79	3,464.09
10	Moe 2-sabre engine oil, 2 cycle	1,512	1.50	2,268.00
11	2200 Wen drill, cordless, rev 3/8	45	44.33	1,994.85
12	2305 Wen chain saw, chain sharpener	98	20.08	1,967.84
13	1130 Howard H/S drill set, 13-pc	192	9.19	1,764.48
14	2000 Wen 10"-electric chain saw	30	50.55	1,516.50
15	16/L25 Lenk 25W-soldering gun	256	5.16	1,320.96
	TOOLS			
1	T50 Arrow staple gun, chrome	2,137	15.39	32,888.43
2	8200 PK Weller 100/140W soldergun	991	21.43	21,237.13
3	OX-2500 Bernz tote torch kit	553	33.00	18,249.00
4	SB 201-4 Screwball driver w/socket	1,060	14.19	15,041.40
5	UL100 Bernz propane blow torch	1,584	9.43	14,937.12
6	FL-19 Waterloo 19 1/8 box, one tray	846	14.10	11,928.60
7	K110 USM multihead rivet tool	1,639	7.24	11,866.36
8	Chi-36W Chopper I ax	372	30.99	11,528.28
9	JT Bernz torch kit, plastic box	526	21.23	11,166.98
10	TX9 Bernz fuel cyl	4,236	2.47	10,462.92
11	PL425 Stanley tape 25'-powerlock	884	11.08	9,794.72
12	213H Petersen fifth set w/6LN	760	11.92	9,059.20
13	ET50 Arrow electric staple gun	374	24.01	8,979.74
14	JL-17 Waterloo 20"-box, one tray	323	23.49	7,587.27
15	60305 Woodings Wood Buddy, 3-lb. maul	580	12.98	7,528.40

Source: Stem Distributing, Maple Heights, Ohio.

GEAR UP FOR THE OUT-OF-SEASON SHOOTER.

All along, Crosman has been telling hunters to stay in shape for *the* season by working out all year.

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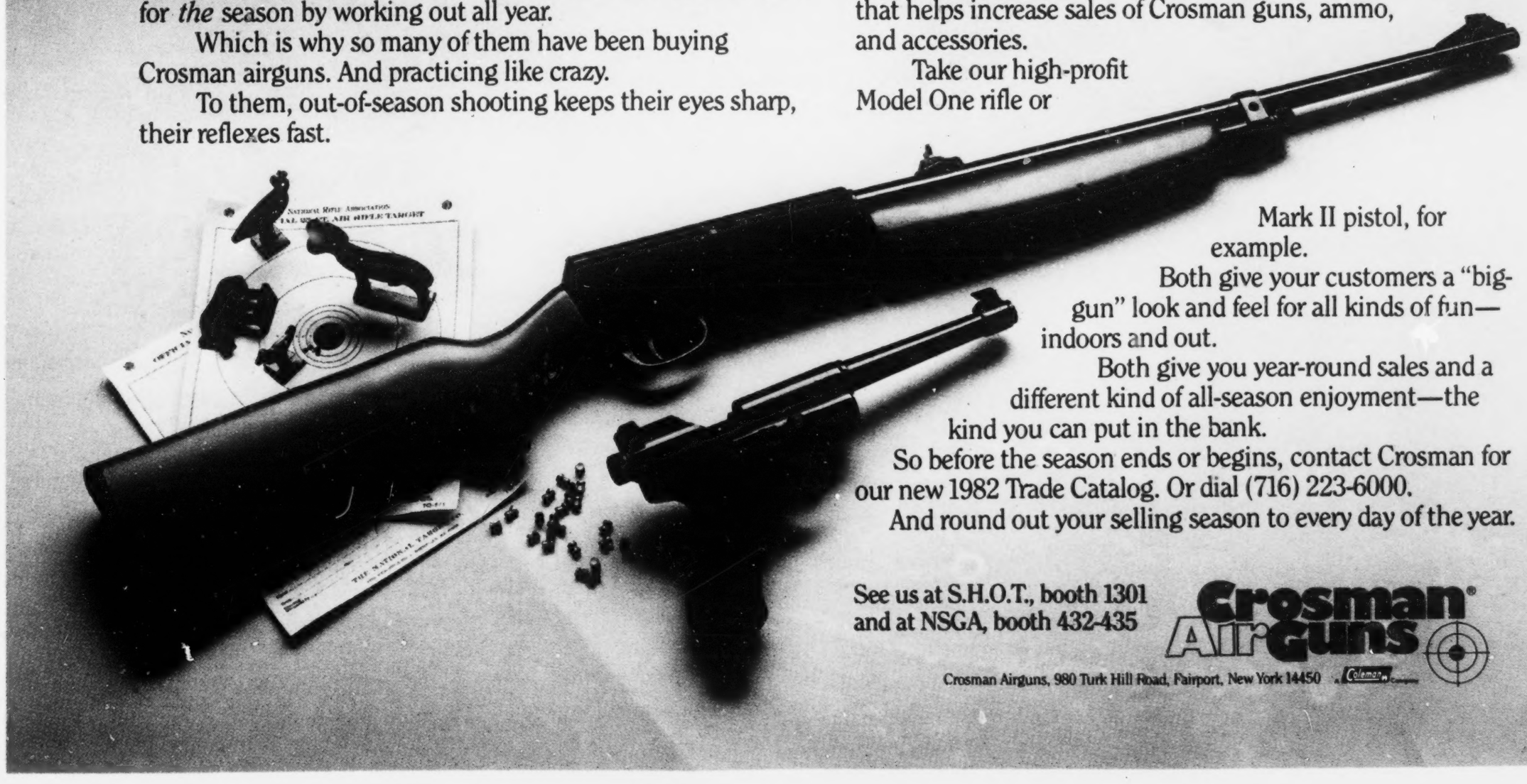

Both give your customers a "big-gun" look and feel for all kinds of fun—indoors and out.

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HOUSEWARES

Surge Foreseen For Microwave Cookware Biz

Several indications of what 1982 holds may be found in this special four-category Product Movement Audit: significant growth in the microwave cookware category, further entrenchment of combination sets in glassware and the continuing dominance of nonstick finishes in bakeware.

The audit, supplied by HalMar, distributor based in Holyoke, Mass., covered the six-week selling period between Sept. 30 and Nov. 11, 1981.

Three microwave cookware items appear on this audit. And, Harold Rubin, HalMar's president, expects microwave cookware to appear on the audit regularly in 1982, despite past sluggish sales in the ovens and the cookware in the Northeast. A major factor stimulating cookware sales will be an increase in promotional price activity in the microwave ovens themselves.

This price competition—in the regular and small-size ovens—will bring the appliance within the price reach of a greater number of customers. Combine this stimulus with the microwave cookware manufacturers' historical post-holiday promotions to accommodate customers receiving the ovens as Christmas gifts and the sales rate of the cookware should pick up significantly.

Other aspects of the microwave cookware category which bear watching are sales growth in browning grills and in small-size items appropriate for single and small households, and the need to merchandise microwave cookware in its own section—regardless of manufacturer—to facilitate customer selection.

In the glassware category, it is no surprise that during the holiday selling season, 10 of the 15 items making the audit were combination sets—with the 24-pc. sets leading the pack. And, three stemware items from Libbey showed up as leaders during this prime-time period for stemware.

This trend toward combination sets, according to Rubin, will continue throughout 1982. Since discounters have met little to no price resistance from customers, the combo sets will be stocked continuously to provide higher-ticket, higher-margin sales for glassware. Glassware suppliers have increased their offerings in sets—primarily in 18- and 24-pc. packages—to meet the expected greater demand.

Since the sets are offered in clear glass—crystal and colors—a trend to watch is the possibility of an increase in clear glass sales at the expense of decorated glassware. Stripes and geometrics may be the patterns most adversely affected.

Corning's 16-pc. Corelle sets continued to dominate the tabletop category.

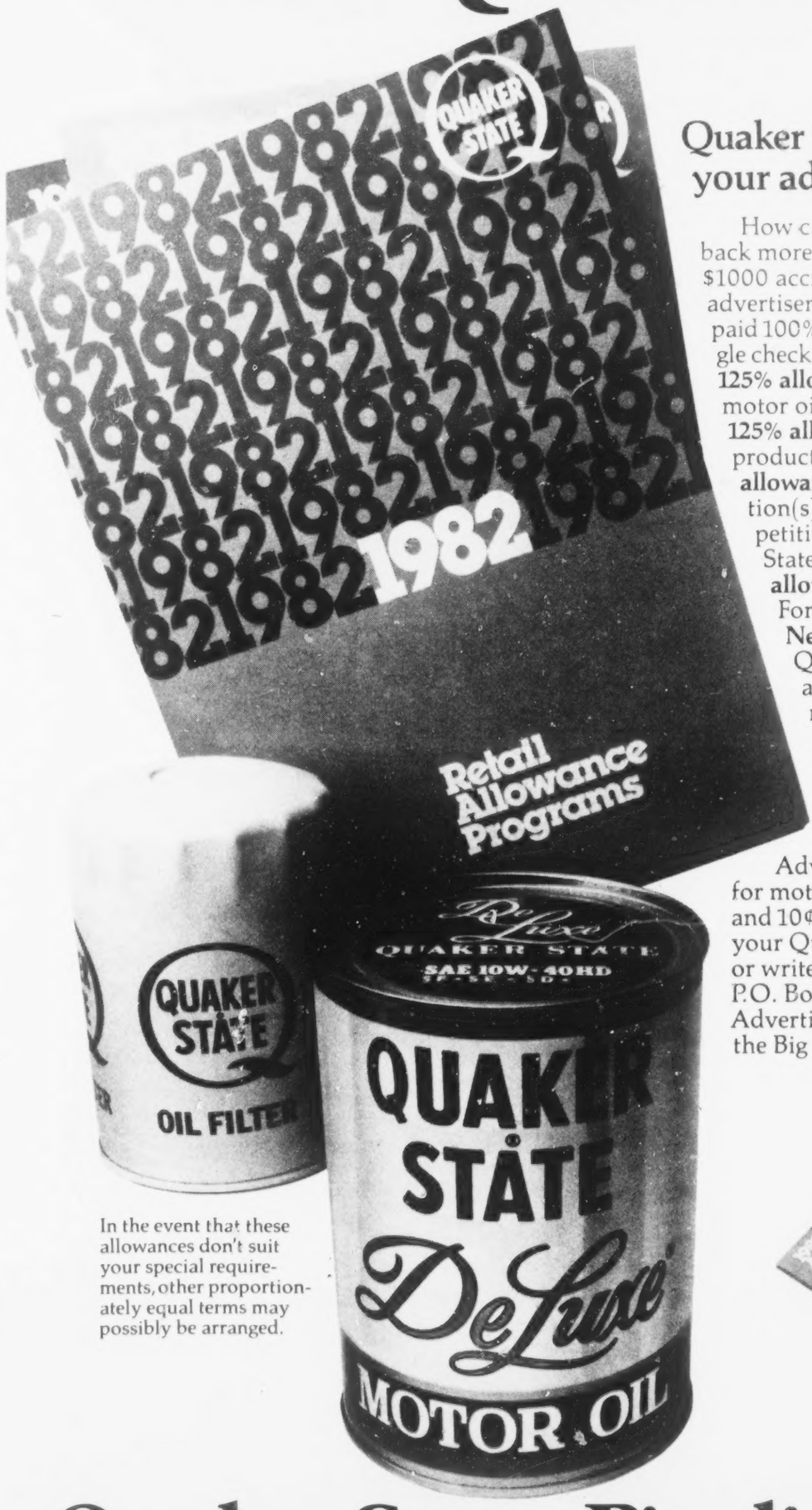
In the bakeware category, 12 of the 15 items making the audit are from the Baker's Secret lineup, reflecting the strength of the nonstick finish despite its higher price.

Curr. $ Rank	Prev. $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
GLASSWARE					
1	—	Libbey 24-pc set, Bolero Blue	1,493	13.49	20,140.57
2	2	Anchor Hocking 40-pc st, Entrtnrs	454	26.09	11,844.86
3	—	Libbey 24-pc st, gld, Cntry Grdn	565	20.69	11,689.85
4	1	Anchor Hocking 24-pc st, Nwprt gld	849	12.59	10,688.91
5	—	Libbey 24-pc set, Bolero Gold	1,349	13.49	10,198.01
6	5	Anchor Hocking 24-pc st, Shrwd Crytl	830	12.14	10,076.20
7	—	Libbey 24-pc st, Twny Apollo	480	19.07	9,153.60
8	4	Anchor Hocking 24-pc st, Shrwd Brwn	750	12.14	9,105.00
9	—	Libbey 24-pc st, Twny Entrtnrs	490	16.19	7,933.10
10	10	Libbey 12½-oz bv, Brkshr, 8-pc	522	10.52	5,491.44
11	3	Anchor Hocking 24-pc st, Nwprt Crystl	434	12.59	5,464.06
12	—	Libbey, all-purpose wine, Mr. Pro	882	6.11	5,389.02
13	—	Libbey red wine, Mr. Pro	862	6.11	5,266.82
14	—	Libbey tall wine, Citation	768	6.11	4,692.48
15	6	Anchor Hocking Snoopy bank	2,562	1.70	4,355.40
CORNING					
1	11	Covrd. Casserole, 2½ qt, Frnch Whi	156	16.19	25,256.40
2	14	Menu-ette set, Cornflower	1,150	19.79	22,758.50
3	1	3-pc French White set	312	38.69	12,071.28
4	3	Sidekick	1,310	8.09	10,597.90
5	4	Casser-ette	1,150	7.55	8,682.50
6	—	Microwave 10"-cvrd ckr w rck	463	17.99	8,329.37
7	6	Microwave browning grill	335	24.74	8,287.90
8	—	Microwave rack	864	8.99	7,767.36
9	—	Counter-Saver, 14" x 20" whi	336	21.59	7,254.24
10	4	Du-ette set, Cornflower	483	14.39	6,950.37
11	—	Counter-Saver, 14" x 20", Spc	285	23.39	6,666.15
12	—	Teapot, 6-cup, Spice	324	17.09	5,537.16
13	9	Grab-it set	489	10.61	5,188.29
14	—	Teapot, 6-cup, Wildflower	291	17.09	4,973.19
15	12	Pie plate, 10", Frnch Whi	452	5.89	4,470.24

Curr. $ Rank	Prev. $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
TABLETOP					
1	1	Corelle 16-pc set, green	3,008	31.49	63,231.92
2	3	Corelle 16-pc set, gold	178	31.49	56,052.20
3	9	Corelle 16-pc set, blue	1,244	31.49	39,173.56
4	2	Corelle 16-pc set, Woodland	1,238	31.49	38,984.62
5	4	Expressions, 20-pc st, Indn Smmr	584	63.89	37,311.76
6	5	Expressions, 20-pc st, Wldflwr	482	63.89	30,794.98
7	11	Corelle 16-pc set, white	966	29.69	28,680.54
8	7	Expressions 20-pc set, Meadow	406	63.89	25,939.34
9	6	Expressions, 20-pc st, Strwbrry	334	63.89	21,339.26
10	8	Dimension IV, 16-pc st, Cnmn	342	38.69	13,231.98
11	12	Dimension IV, 16-pc st, almd	252	38.69	9,749.88
12	14	Corelle Traditions, 20-pc st, hrvst	164	47.69	7,821.16
13	—	Corelle Traditions, 20-pc st, hrvst	158	47.69	7,535.02
14	—	Corelle small plate, green	792	8.72	6,906.24
15	15	Corelle Traditions, 20-pc st, Spi	136	47.69	6,485.84
BAKEWARE					
1	1	Ekco 13"-oblng ck pn, Bkr's Scrt	3,464	3.41	11,812.24
2	2	Ekco 17¼"-ck sht, Bkr's Scrt	2,085	3.86	8,048.10
3	4	Ekco 15¼"-ck sht, Bkr's Scrt	1,904	3.41	6,492.64
4	5	Ekco 14½"-roast pn, Bkr's Scrt	1,389	4.67	6,486.63
5	3	Ekco 12-cup muffin pn, Bkr's Scrt	1,313	4.13	5,422.69
6	6	Ekco 9¼"-loaf pn, Bkr's Scrt	1,604	3.05	4,892.20
7	10	Ekco 13¼"-ck sht, Bkr's Scrt	1,653	2.69	4,446.57
8	8	Ekco 17¼"-cookie sheet	1,768	2.42	4,278.56
9	14	Ekco 13"-roasting pn, Bkr's Scrt	1,977	2.06	4,072.62
10	—	Ekco 8½"-loaf pn, Bkr's Scrt	1,551	2.51	3,893.01
11	—	Ekco 12-cup muffin pan	1,048	2.96	3,102.08
12	—	Ekco 8"-round cake pn, Bkr's Scrt	1,323	2.24	2,963.52
13	—	Ekco 8"-sq cake pn, Bkr's Scrt	905	3.05	2,760.25
14	—	Ekco 14½"-roast pan	918	2.96	2,717.28
15	15	Ekco 10¾"-bsct/brnie pn, Bkr's Scrt	996	2.69	2,679.24

Source: HalMar Inc., Holyoke, Mass.

New allowance deals from Quaker State.



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Quaker State: Pipeline to profits.

HEALTH & BEAUTY AIDS

Toothpaste Titans Set Gel War

Toothpaste, by far the major dental product category and No. 5 in health & beauty aids, continues to be in a state of flux in terms of brand rankings.

During 1982 there will be a surge in advertising expenditures by the major brand manufacturers. Reportedly better than $80 million will be spent just on television advertising. The primary thrust will be coming from Colgate Palmolive and Procter & Gamble (Crest) to push their recent gel entries.

This special Product Movement Audit, supplied by Boston Distributors of Maple Heights, Ohio, shows that the toothpaste category is no stranger to jockeying for position among the brands; the audit also reveals why Colgate and P&G are loosening up the purse strings on behalf of the gels.

According to Raymond Prendergast, Boston Distributors' president, dollar sales in the category moved ahead 12% for the company during nine months of 1981. The audit covered the period Feb. 2 through Nov. 8, 1981.

The top selling brand on the PMA once again was Crest, taking the first, second and fourth positions. Colgate held third, sixth and 13th.

But the gels snared the largest gains on the PMA. Aqua Fresh was the big gainer in 1981, earning three places in the top 15; Aim won two spots, and Close Up moved to No. 10. In an earlier PMA covering the first quarter of 1981, Aqua Fresh earned only two places among the top 15; Aim placed one sku, and Close Up earned 15th place.

The reason for the reaction of the giants, Colgate and P&G, is obvious: the market share of their paste formulations was put in a dangerous position by the gels.

But, Lever Bros. (Aim and Close Up) and Beechum (Aqua Fresh) have also responded with new product entries. Lever introduced a new mint flavor, while Beechum's Aqua Fresh has been reformulated to include a cleaning agent in addition to its previous paste/gel combination. Aqua Fresh is the only brand not adding another sku but substituting the new formulation to replace the old.

From the retail vantage, Prendergast cautioned that the toothpaste category has already reached a market penetration of approximately 95%—meaning 95% of the population currently uses toothpaste. Consequently, increases in advertising expenditures will fluctuate brand market share, but they will not create plus business in the toothpaste category.

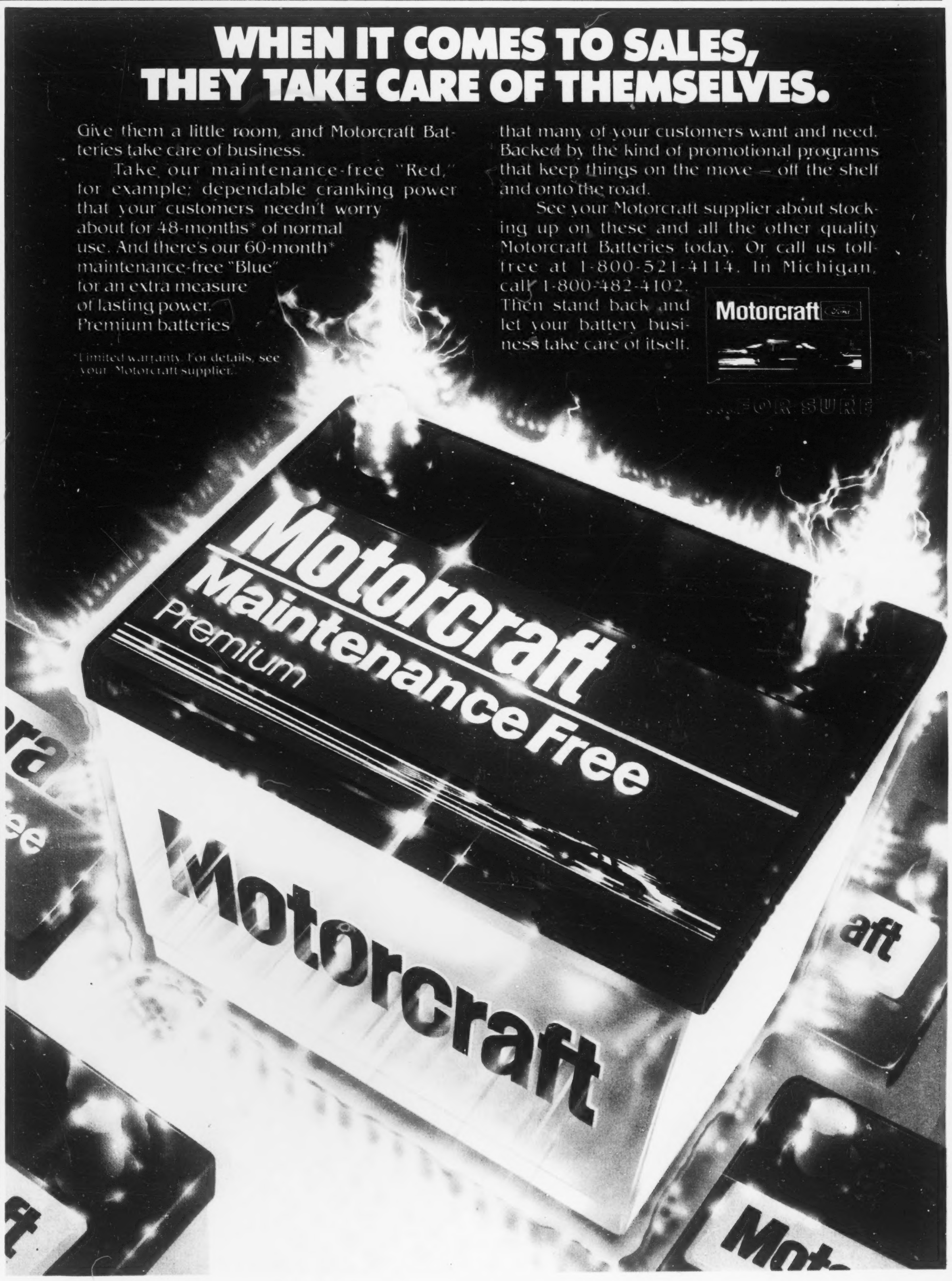
Discounters then will have to merchandise the category carefully.

The temptation of course, will be to increase shelf space, but in today's economy a more productive move might be to cut back on the facings of existing brands to make room for the new entries, Prendergast said.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	TOOTHPASTE			
1	Crest toothpaste, regular, 6.4 oz	231,320	1.49	344,667
2	Crest toothpaste, mint, 6.4 oz	207,092	1.49	308,567
3	Colgate dental creme, family 7 oz	187,128	1.49	278,821
4	Crest toothpaste, regular, 8.2 oz	99,448	1.97	195,913
5	Crest toothpaste, mint, 8.2 oz	98,428	1.97	193,903
6	Colgate dental creme, 9 oz	85,980	1.97	169,381
7	Aim toothpaste, 6.4 oz	105,640	1.49	157,404
8	Aqua Fresh toothpaste, 6.4 oz	105,264	1.49	156,843
9	Ultra Brite toothpaste, 6 oz	80,728	1.49	120,285
10	Close Up toothpaste, regular, 6.4 oz	77,296	1.49	115,171
	TOOTHBRUSHES			
1	Reach toothbrush, tab med	55,452	1.03	57,085
2	Oral B adult brush, tab 40	38,436	1.01	38,820
3	Reach toothbrush,tab soft	37,260	1.03	38,378
4	Oral B adult brush, tab 60	36,852	1.01	37,221
5	Pepsodent toothbrush, adult med	56,664	0.58	32,865
6	Pepsodent toothbrush, adult hard	55,092	0.58	31,953
7	Tek toothbrush, med	68,748	0.39	26,812
8	Johnson & Johnson dental floss, waxed, 50 yd	29,316	0.87	25,505
9	Oral B youth brush, tab 30	27,216	0.87	23,678
10	Pepsodent toothbrush, adult soft	39,840	0.58	23,107

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	DENTURE PRODUCTS			
1	Efferdent tablets, 96	96,516	2.79	269,280
2	Polident tablets, 84	74,228	2.48	184,085
3	Efferdent tablets, 60	43,664	1.92	83,835
4	Efferdent tablets, 40	43,548	1.37	59,661
5	Dentu-Creme Wernets, 5.75 oz.	33,114	1.68	55,632
6	Fasteeth powder, economy, 3.5 oz.	21,336	2.49	53,127
7	Super Poli-grip, 1.4 oz.	33,408	1.43	47,773
8	Polident tablets, 40	34,012	1.27	43,195
9	Fixodent denture creme, economy, 2.5 oz.	19,512	2.14	41,756
10	Dentu-Creme Wernets, economy, 3.9 oz.	18,696	1.33	24,866
	MOUTHWASH			
1	Listerine antiseptic, 32 oz	116,988	2.69	314,698
2	Scope mouthwash, 24 oz	74,028	2.39	176,927
3	Scope mouthwash, 40 oz	43,422	3.85	167,175
4	Scope mouthwash, family, 18 oz	54,916	2.04	112,029
5	Signal mouthwash, 24 oz	37,020	2.39	88,478
6	Listerine antiseptic, 24 oz	34,512	2.48	85,590
7	Cepacol mouthwash, 24 oz	29,328	2.39	70,094
8	Listermint mouthwash, 24 oz	22,336	2.39	53,383
9	Listerine antiseptic, 48 oz	12,078	4.37	52,781
10	Scope mouthwash, lg, 12 oz	30,732	1.62	49,786

Source: Boston Distributors, Maple Heights, Ohio.


WHEN IT COMES TO SALES, THEY TAKE CARE OF THEMSELVES.
Give them a little room, and Motorcraft Batteries take care of business.
Take our maintenance-free "Red," for example; dependable cranking power that your customers needn't worry about for 48-months* of normal use. And there's our 60-month* maintenance-free "Blue" for an extra measure of lasting power. Premium batteries
*Limited warranty. For details, see your Motorcraft supplier.
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See your Motorcraft supplier about stocking up on these and all the other quality Motorcraft Batteries today. Or call us toll-free at 1-800-521-4114. In Michigan, call 1-800-482-4102. Then stand back and let your battery business take care of itself.
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CONSUMER ELECTRONICS SHOW

Gross Margin Plummets; Initial Markup Rises

	1976	1977	1978	1979	1980	1981	5-year change	'81 vs. '80
Dept. Size (sq. ft.)	2,215	1,950	1,950	2,000	2,000	2,000	+9.7%	NC
Annual Turns	3.1	3.1	3.0	3.0	3.0	3.0	−3.2%	NC
Volume per sq. ft.	$196.61	$197.23	$203.34	$206.44	$208	$221	+12.4%	+6.2%
Initial Markup	26%	26%	26%	26%	26%	28%	+7.6%	+7.6%
Gross Margin	22%	22%	21%	21%	21%	18%	−18.1%	−14.2%
Discount Store Sales	—	—	$2.7B	$3B	$3.2B	$3.6B	—	+12.5%
Sales per store	—	—	$396,521	$412,882	$415,504	$441,000	—	+6.1%

NC—No Change B—Billion *Source:* DSN *Research*

Gross margins took a dive in 1981, falling 14.2% from 1980's margins. Compared to five years ago, margins were down 18.8%. At the same time, initial markup rose 7.6% for the year, the first increase noted in the past five years. Although some categories (stereos) suffered softened sales, department volume moved up 12.5%. Sales per store were up 6.1%.

Buyers' Hopes

(Continued from page 27)

Buyers say today's consumers are looking to the higher-end features and styling in all stereos, including "soft touch" controls, graphic equalizers, recessed turntables and cassette capability.

"Our business is becoming more and more a fashion business," where design and features are very important," stressed Pamida buyer Dick Pearson.

In trying to gain the trade-up customer, some chains (Wal-Mart, Caldor) have added Pioneer components to their high-end. Caldor priced turntable, receiver, cassette deck and speakers at the $800 mark.

Meanwhile, the newest high-end televisions have failed to attract discounters. The big-screen color projector sets, now being featured by a few catalogers, carry price points still out of line for discount stores. (Best carries a Panasonic color projector TV in its 1981-82 catalog at $2,999.97, reg. $3,300, listed on limited availability.)

T.G. & Y.'s Larry Lide said consumers, especially those in discount stores, are more willing to accept $200 to $600 price tags on color television sets than $2,000 to $4,000 for the big screens with lower-quality color.

For T.G. & Y. and the majority of discounters, 19-in. color television sets (priced from $299 to $349) still make up the bulk of business.

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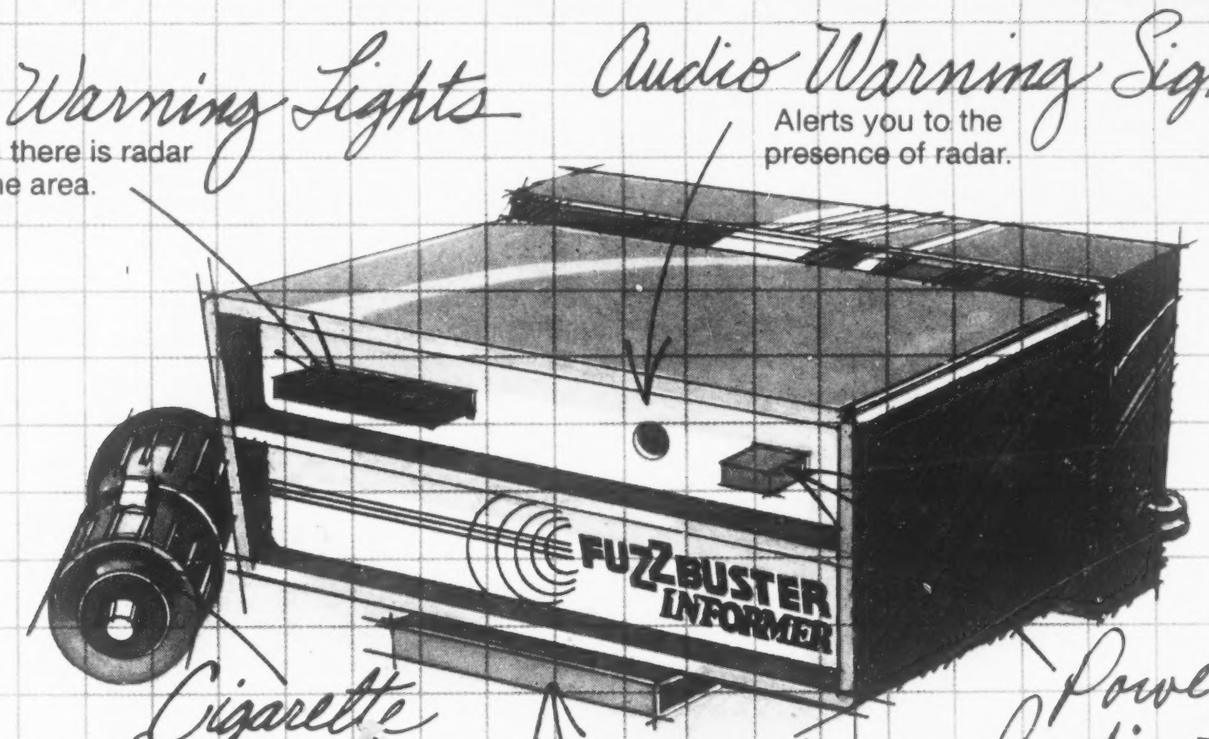
LED Warning Lights
Inform you there is radar in the area.
Audio Warning Signal
Alerts you to the presence of radar.
Cigarette Lighter Plug
Mount your unit, plug it in and you're ready to drive.
Mounting Bracket
For visor or dash mount.
Power Indicator Light
Lets you know when it's on and you're protected.
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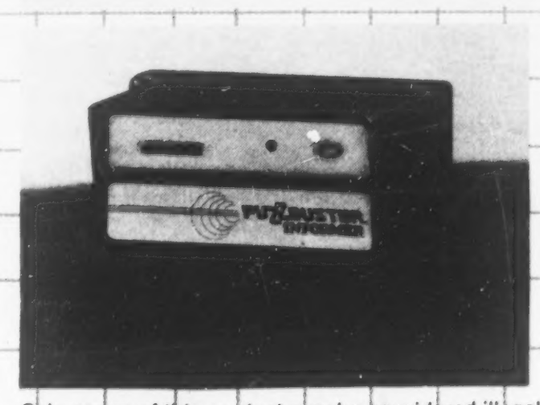

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Sale or use of this product may be considered illegal in Michigan or Virginia.

Battle Continues Over Home Use Of VCR Units

WASHINGTON—The battle over the home use of video cassette recorders (VCRs) continues, as trade associations bring their case before the Government.

The Consumer Electronics Group of the Electronic Industries Association (EIA) testified before the Senate Judiciary Committee, calling for enactment of legislation to permit videotaping of copyrighted television programs.

The group testified in response to a recent Ninth Circuit Court of Appeals decision, which ruled that it is illegal for consumers to videotape television programs for private, noncommercial use. That decision generated industry concern about the future of the VCR business.

The case is expected to remain in the courts for a long time. Both the EIA and Sony, a defendant, have asked the Ninth Circuit Court to review the decision.

Stores' Purchases Of VCRs Soar by 50% in November

WASHINGTON—The Electronic Industries Association's Consumer Electronics Group reported that total United States market sales to retailers of home video cassette recorders, color video cameras and projection televisions increased by 43.1% in November 1981, compared to the same month in 1980.

The year-to-date figure shows a 74.1% increase in the three categories. During the month of November the VCR category posted the largest gain: 49.9%. The largest year-to-date increase was in the projection TV (large screen) area: 130%.

Conventional color and black and white TVs showed a loss, with a total decrease of 20.4% in November. A small year-to-date gain of 0.2% was shown in the category year-to-date.

9-Month Sales Up 16% At Record/Tape Stores

CHERRY HILL, N.J.—During the nine-month period ended Sept. 30, record and tape specialty shop sales rose 16% over the first nine months of 1980, growing from $303,361,567 to $351,403,969, according to The National Association of Recording Merchandisers (NARM).

Comparable-store sales grew only 4%, from $303,361,567 to $315,853,299.

Sterling Exec to Head Ark. Chapter of ASIS

LITTLE ROCK, Ark.—Herb Dicker, distribution center operations manager for Sterling Stores, which includes Magic Mart as a subsidiary, has been elected chairman of the Arkansas Chapter of the American Society for Industrial Security (ASIS).

Membership in ASIS is open to all security professionals in a supervisory or management position.

-/ C5150-3

Housewares Show Section: Pp. 25-80

Catalog Showroom News: Pp.11, 99

Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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Administration to Press For Price Maintenance

By Ken Rankin

WASHINGTON—Reagan Administration enforcers are on the verge of a sweeping legal campaign to promote resale price maintenance and other distributional restraints against "free-riding" discount chains.

At the same time, discount industry lawyers and Washington lobbyists are mounting a counterattack, warning top Administration policy makers that Federal backpedaling on Fair Trade or other vertical antitrust restrictions could have severe competitive implications for discounters and consumers.

Association of General Merchandise Chains president Ed Borda, who has already alerted key Government and industry leaders to the pending antitrust shift, told *DSN* that the present restrictions against resale price maintenance are essential for the nation's mass merchandisers.

Justifying industry concerns, officials at the Justice Department's Antitrust Division told *DSN* that the agency's controversial "private action program" will indeed be carried out.

This program, developed by

(Continued on page 15)

Space, Tickets Are Increased For Checkout Merchandise

Nationwide DSN Report

Woolco hiked its checkout profile from 48 in. to 56 in. to squeeze in more stock. T.G. & Y. is doubling its register space and other chains are boosting some tickets by 500% and even 1,000% to cash in on that key area's merchandising.

Given today's GMROI orientation and the checkout's clear dominance as the location for the fastest-turning merchandise in the store, discounters are:

- Increasing centralized control, in many cases taking away one of the store manager's few remaining areas of discretion in merchandising.
- Bolstering stock in both breadth and depth and changing presentations for a fresh look.
- Testing $4, $5 and even $10 items, in marked contrast to the $1.10 common average ticket for the 200 to 250 sku's traditionally carried there.
- Increasing the frequency of item review and change in the program and keeping a handle on theft.

(Continued on page 15)

Yule Sales Finally Click; Margins Take a Beating

Nationwide DSN Report

A late Christmas-week sales surge allayed discounter fears of a disastrous December, giving most of the country's largest chains respectable double-digit sales gains for December.

The bad news will come in several weeks, however, when earnings figures for the fourth quarter dim the Christmas cheer, underscoring what is already known: In 1981 volume was too often bought at the expense of gross margins.

K mart's 18.4% sales increase for the month "modestly exceeded" the chain's planned sales target, chairman Bernard Fauber said, adding that slack sales early in the month gradually led to a strong final week.

"Strictly seasonal merchandise sold well, and as a result our seasonal inventories are within acceptable levels," Fauber said. K mart sales for the 48 weeks ended Dec. 30 were $15.547 billion, 16.3% ahead of the same period the year before. The 1981 volume was achieved on a store base of 2,380, 6% larger than the 1980 store base of 2,244.

Good movement on winter wearables was a factor in several other chains' December performance, notably Target and T.G. & Y.

Target registered a 28% sales gain in December, leading parent Dayton Hudson's divisions. (Dayton Hudson does not break out Target's volume contribution on a monthly basis.) Corporate sales for the month were $935.1 million, a 20.8% increase from the year before's $774 million for the same period. Same-store sales were up 11.9%.

Dayton Hudson chairman William Andres said sales were "in line with expectations," for December, while "customers were particularly responsive to promotional events."

(Continued on page 112)

Wal-Mart Top Gainer

Chain	$ Sales (millions) Dec. '81	Dec. '80	% Gain
Wal-Mart[a]	403.0	255.6	58.0[a]
K mart	2,739.0	2,314.0	18.4
Zayre	299.2	253.9	17.8
ALCO	30.9	26.5	16.6
Gold Circle/Richway[b]	134.1	115.1	16.5
Jamesway	54.0	46.4	16.0
Venture	110.1	96.7	13.9
Rose's	95.7	84.2	13.6
Murphy's mart	87.2	76.9	13.4
T.G. & Y.[c]	300.0	271.5	10.5

[a]*Wal-Mart Dec. '81 figures include $56.8 million from its recently acquired Big K stores. Volume increase without Big K sales was 35%.*
[b]*Discount divisions of Federated Department Stores.*
[c]*Preliminary figure. Includes sales from 400 variety stores.*

Digest

H&BA

- Consumer demand for prestige fragrances has eased discounter fears of stepping into the high-priced name brands, but most manufacturers still resist selling direct. (p. 19)
- New-product entries are expanding the already fast-growing diet-aid market. Discounters are finding fat sales with new caffeine-free, extra-strength products. (p. 19)

Hardware

- Imported tools are giving Target and Zayre new promotional price opportunities while at the same time keeping margins high. (p. 82)
- Fireplace accessory sales have lost their spark at operators Fred Meyer and Rose's due to the smothering effect of high interest rates on housing starts. Also: a look at selling coal on the floor. (p. 82)

Catalog Showroom News

- Consumers Distributing (Canada) has brought in troubleshooter Bernard A. Cohen to become new president and ceo of its United States division. (p. 99)
- A scramble for members of Progressive Buying Associates has begun as the catalog coordinator closed its doors. (p. 99)

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T.G. & Y. Will Roll Out AIM, New Upscale Discount Prototype

OKLAHOMA CITY—It's official.

Eighteen months after the 60-year-old chain first announced it was considering a name change and an upscale reformating, T.G. & Y. is ready to roll out a new discount store prototype—to be called "AIM for the best"—that will transform 450 stores by 1987.

Chain officials anticipate the stores will be known popularly as "AIM."

According to an ambitious five-year conversion plan detailed for *DSN* by company executives, 20 AIM stores will be opened in 18 Southern markets beginning this July. Ten of them will be existing Family Centers remade into the new prototype.

Another 35 Family Centers will be converted in 1983, with a total of 280 existing Family Centers to get the new nameplate and look by the end of 1987.

At the same time, ground will be broken on 20 new AIMs next year; 35 new stores will be built each year after that, through 1987.

While 15 traditional T.G. & Y. stores are slated for opening this year as well, the birth of AIM marks the end of further expansion of the T.G. & Y. logo that carried the chain from its variety store days through its move into discounting in the early 60's.

Any T.G. & Y. stores opened after this year will be restricted to smaller markets where the chain feels coverage is important but where the demographics don't support the opening of an AIM store.

For now, the AIM stores will be operated as a division of T.G. & Y.

J. M. Cox, formerly vp, operations, has become vice president of the new division. He will report to T.G. & Y. president and ceo Dan Kelly. Ray Balcer, a district manager, is now division vp; and three store supervisors—J. C. Krause, Dick Scott and L. L. Rhodes—have been named AIM district supervisors.

In addition, 10 15-man crews have been created to supervise the store conversions.

Five of the new markets were selected with AIM—and not T.G. & Y. stores—in mind: Macon, (which will get two stores, including the first in the chain) and Warner-Robbins, Ga.; San Angelo, Tex., and Huma, Ariz. Five other mar-

(Continued on page 112)

AIM for the best

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Shuffling in Executive Suites

Mandel Appointed King's Prexy; Venture Ups Hays, Seeherman

NEW YORK—Resignations of the president of King's and chairman of Venture Stores prompted a reshuffling in the executive suites of both chains to start off the new year.

KDT Industries, parent of King's, named Robert D. Mandel president of retail operations, succeeding Paul Kwasnick, who resigned in December "to pursue personal interests," according to a company spokesman.

At Venture, the resignation of Thomas F. Rafferty, chairman of the chain for the past five years, led to changes in the chairman and president slots.

Thomas A. Hays, president and ceo, becomes chairman while continuing as ceo. Julian Seeherman, vice chairman of Venture, ascends to the president's spot, effective Feb. 1.

May Department Stores, Venture's parent, also announced that Hays would be vice chairman of the parent company. Reporting to him will be the Volume Shoe division, which includes the 1,089 Payless ShoeSource stores.

Seeherman joined May in 1977 to become president and ceo of Consumers Distributing, the catalog showroom operation owned by May. When May sold Consumers Distributing, Seeherman joined Venture as vice chairman.

Seeherman spent a major portion of his retailing career, 23 years, at Abraham & Straus where he was executive vice president in merchandising.

A May spokesman explained that although Seeherman does not have the ceo title as Hays did while president, Venture will operate, as all May divisions do, under a tandem management team.

On this team Seeherman supplies the merchandising know-how; Hays, who has been with Venture since 1969 and is a certified public accountant, handles finance and operations.

Seeherman became the third president of the 45-store chain since 1980. Ira Quint left the company in 1980, and was replaced by Hays.

Mandel, King's new president, joins this 183-store chain (which is operating in the red) after spending his entire retailing career at Petrie Stores, the specialty operation with a consistently high profit performance that is the envy of most retailers.

When he left Petrie, Mandel was senior vice president, treasurer and secretary.

Despite its recent closing of 59 unprofitable stores and the $34 million in red ink reported for the nine months ended Oct. 31, 1981, Mandel stated that King's "has all the ingredients to re-establish its pre-eminent position in the retail discount store industry."

Mandel was not available to comment on how he plans to achieve this turnaround. But, Kittay previously announced King's intention to emphasize and upgrade its soft lines business for greater profit productivity. Toward that end, it may be advantageous to have a Petrie Stores alumnus on the King's team.

S.E.C. Gets Vornado To Appoint Macnow

GARFIELD, N.J.—Vornado has named Joseph Macnow senior accounting officer of Two Guys as part of the settlement required by the suit filed by the Securities & Exchange Commission.

The suit accused the chain of giving its top officers unreported "perks."

The S.E.C. also forced the chain to name an executive committee audit person from outside the company in addition to a senior accounting officer.

Vornado will have until July 15, 1982, to appoint the independent director, who will be subject to S.E.C. veto.

Macnow, approved by the S.E.C. after a lengthy telephone interview, formerly served as controller of Vornado in addition to a stint as an audit manager with Ernst-Whinney, a Cleveland-based accounting firm. His task, as mandated by the S.E.C., will be to tighten the company's accounting system.

In its lawsuit the S.E.C. maintained that officers received such unreported perquisites as chauffeured cars, company-paid major credit card accounts and free opera tickets for the years 1970 through 1976. Vornado contended the bonuses extended were modest when compared with other companies.

The memorandum filed by Vornado in Federal district court in Washington was a consent document in which the com-

(Continued on page 112)

Tax Incentives Are Eyed For Run-down Areas

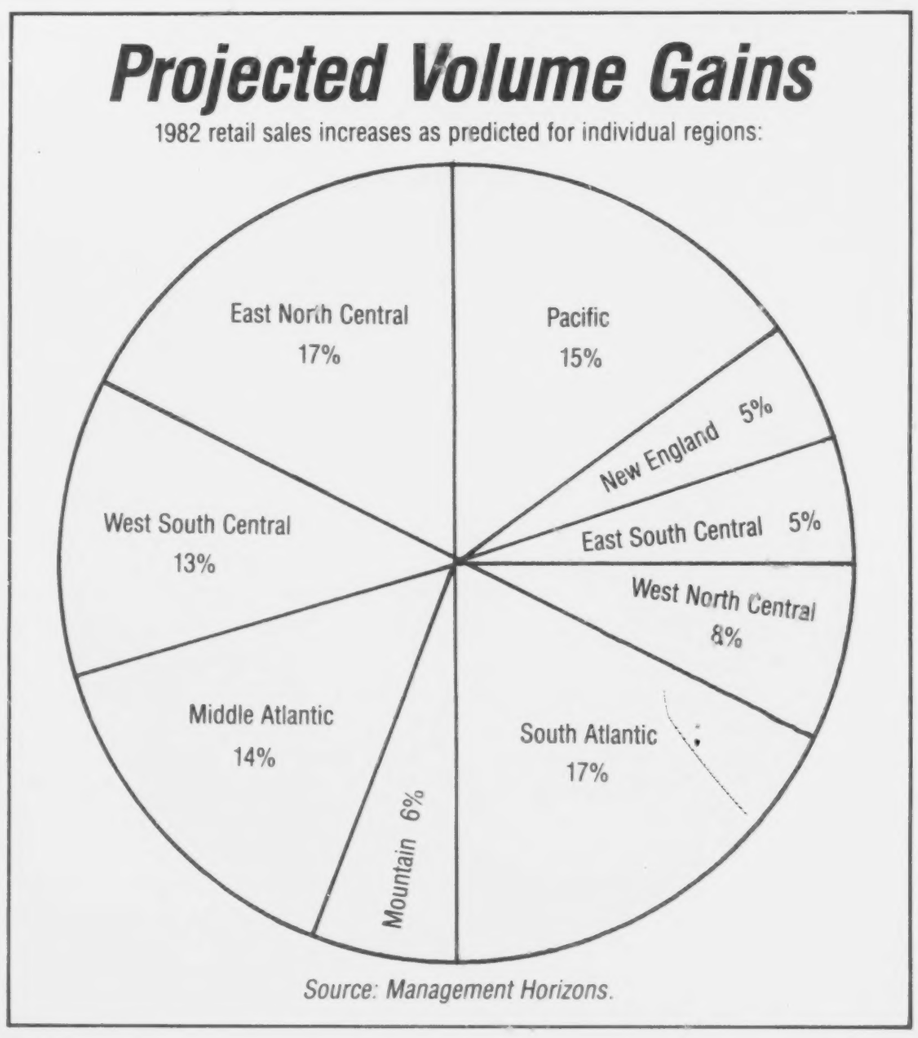
WASHINGTON—One of the new domestic programs President Reagan is likely to push this year, to create up to 75 "enterprise zones" in run-down urban areas, would give retailers and other businesses tax incentives to invest and hire workers.

The plan, still being worked out, is similar to bills proposed by Rep. Jack Kemp (R-N.Y.) and Rep. Robert Garcia (D-N.Y.). It could create up to 25 zones a year for the next three years, and would eliminate the capital gains tax on investments in the economically depressed areas.

A new program may also give tax credits of up to 1,500 a year for each low-income person an employer hires to work in a zone. Other tax credits and writeoffs might apply to workers meeting certain conditions such as having previously been on welfare or been unemployed.

Special investment tax credits on construction are also under consideration.

Real Sales Growth of 0.5%-5% Seen



Source: Management Horizons.

COLUMBUS, Ohio—This year is expected to show real growth in total retail sales of between 0.5% and 5% on a quarterly basis, according to a just-released report.

According to Management Horizons, the retail research firm based here, large-ticket durable goods, such as autos and furniture, should suffer due to a retrenchment in consumer purchasing over the next six to nine months.

Low-ticket durable goods, however, especially those tied to leisure time activities, will enjoy a favorable growth rate.

The study predicts that as far as nondurables are concerned, there will be more purchases due to additional discretionary income resulting from a reduced purchasing of durable goods.

A particularly favorable outlook is also forecast for those retailers dealing in apparel merchandise, such as department stores, apparel and accessory stores, and shoe stores.

Looking at retailing on a regional level, the study said there will be a pronounced regional growth differential. For example, the anticipated recession will intensify retail problems in the East North Central, Middle Atlantic and East South Central divisions. The study predicts that these three areas will continue to perform poorly during the first half of 1982.

DSN Nostalgia Quiz — STILL GROWING AT TWENTY — 20 — Discount Store News — **Win $100 every issue**

Remember '63? Korvettes Was King

Korvettes was the top discounter with sales of $330 million and earnings of $6 million from 21 stores. K mart came into 1963 with 18 stores and finished the year with 53 units. Sales, K mart said, were "strong," but no figures were given.

* * *

New-store openings during the year were 300 for the total industry compared to 700 in 1962. Looking at 1964, the industry was expecting to see 350 new-store openings.

* * *

In June of 1963, executives at Korvettes and Vornado saw both their companies' stock on the New York Stock Exchange valued at just over 27. Arlans was at 23 on the OTC.

* * *

Arlans was king of Detroit discounters in K mart's market. Arlans had six stores operating in '63 and Atlantic Mills was No. 2 in Motown with three stores.

Question: Who is this Zayre executive, what was his title in 1963, and how many stores did the chain have at the start of the year?

Nostalgia Quiz #2

(Answer hidden in pages of *DSN.*)

Prizes: A $100 retailer and manufacturer winner picked every issue; from those, a Grand Prize winner will be selected in the Oct. 18 issue. Grand Prize: to be announced.

Answer: _____

Name _____

Address: _____

_____ Zip _____

Rules: All entries must be submitted no later than two weeks after issue date for each contest.
Send to: *Discount Store News*, 425 Park Ave., New York, N.Y. 10022

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Vol. 21, No. 2 Jan. 25, 1982

T.G.&Y.

(Continued from page 1)

kets, originally scheduled to get T.G. & Y. units, will also get AIMs: Hemet, Calif., Hattiesburg, Miss., Duncan, Okla., Gadsden and Prattville, Ala. The first T.G. & Y. conversions will be in Lakeland, Fla., Montgomery, Ala., Gautier, Miss., Tallahassee and Pensacola, Fla. (two each), and Bartlesville, Stillwater and Muskogee, Okla.

Interestingly, while the stores are being billed as an upscale attack on T.G. & Y.'s upscale competitors, most notably Target and Venture, the first 20 stores will be opened in markets where K mart, Woolco, Zayre, Rose's, Gibson (franchisees) and Wal-Mart will be the competitors.

"We expect our primary competition to be K mart, Wal-Mart and Target," said Ron Smith, vp advertising. "But we also consider Penney's and Sears' smaller conventional-type department stores as competition."

Demographics were the key in making market selections.

The chain is hoping to capture younger shoppers, aged 25 to 45 (younger than the current Family Center shopper) with income between $18,000 and $35,000 (compared to $15,000 currently supporting Family Center stores). And although population figured more in the decisions, officials also noted that markets had to have at least $175 million in retail sales.

In areas slated for conversions from a traditional store to an AIM, officials looked for markets with only one or two stores. (Although executives would have liked to bring AIM to its native Oklahoma City, having to remake 20 stores at once prevented the move, said Kelly.)

The role of the new stores, given the chain's recent performance record, is clear:

"We're projecting sales per square foot of $150 to $200 for the new stores," said Kelly. "The average Family Center does around $90." (The industry average is $100 a square foot, with some chains like Wal-Mart reporting close to $130.)

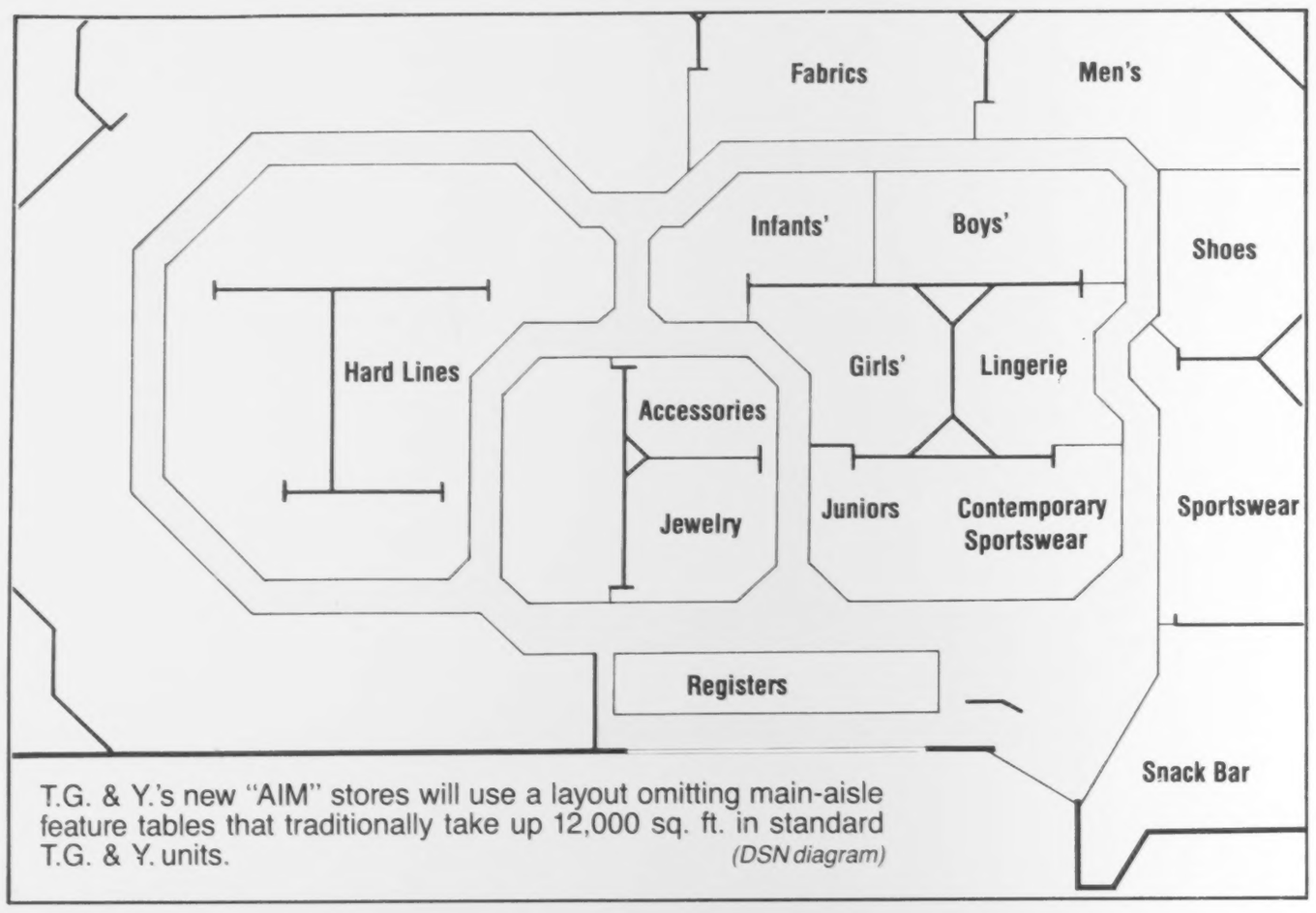
Shifting Emphasis

To get the improved performance, the 925-unit chain will upgrade its presentation and merchandise mix, packaging them both in a unfiorm 60,000-sq.-ft. store. T.G. & Y.'s Family Centers range in size from 30,000 to 85,000 sq. ft. while its 400-plus variety stores range from 3,000 to 10,000 sq. ft. The variations have hampered the chain's productivity in the past.

The new look will rely heavily on new, more fashionable fixturing and an upscale decor package, including carpeting, fingerwalls, glass and chrome displays.

Currently T.G. & Y. Family Centers give 28% to 30% of floor space to soft lines. AIM will devote 48% to the area with branded goods representing 30% to 40% of the mix, compared to 10% in traditional stores. "Ultimately we seek to have soft lines produce 55% to 45% of the volume," said R. J. Smith, a T.G. & Y. vp and member of the image committee.

Among name brands that will show up in the wearables departments will be Catalina, Bobby Brooks, Shapley and Lilly of France for women; Britannia and Pennington for men.



T.G. & Y.'s new "AIM" stores will use a layout omitting main-aisle feature tables that traditionally take up 12,000 sq. ft. in standard T.G. & Y. units. *(DSN diagram)*

Yule Sales

(Continued from page 1)

At T.G. & Y., preliminary figures showing a volume of $300 million for the five-week December period left the chain with "mixed feelings" for the month, senior vp of finance Denver Woolsey reported.

"The volume increase of 10.5% was about 3.5% short of our goal," Woolsey said. "It was disappointing as we viewed it from earlier in the year, but we did as well as we expected once we saw the retail climate late in the year."

Winter wearables were strong during the month, partly due to changes in the merchandise mix at T.G. & Y., Woolsey said, adding that changes in gift-oriented lines such as robes led to a strong season there. Middle price-range appliances were also standouts during the Christmas season, he said. Deep margin cuts taken slightly early this year will probably thin overall gross margin slightly at the chain.

Gold Circle and Richway, lumped together by parent Federated Department Stores in volume reporting, also experienced their sales gains in part because of an increase in promotion:

"December gains were achieved in a highly promotional sales environment," a spokesman at Federated said of the combined sales gain of 16.5%, "and the company does not expect that the relatively strong sales gains will be maintained during the first quarter of 1982."

At Wal-Mart, a spokesman said the chain "saw no particular change in buying patterns," as traditionally strong seasonal categories fared well. Toy gains were reportedly stronger than 1980's. Wal-Mart is operating 491 stores, compared to 330 a year ago, including the recently acquired 104-unit Kuhn's Big K chain.

December's sales gain of 58% from a year ago (35% without including Big K volume) represented a same-store sales gain of 9%. In the 48 weeks, Wal-Mart's $2.267 billion volume was 49% ahead of the year before, or 38% ahead without including $160.8 million from the Big K stores.

Several other major chains, such as Venture, also posted strong same-store gains in December, while Murphy's Mart, Jamesway and Zayre achieved double-digit increases on slightly enlarged store bases. Rose's increase for the month totaled 13.6%, while ALCO's 16.6% boost for the December period outstripped its year-to-date gain (48 weeks) of 15%. Tougher times during December were had by Woolco and others.

Venture's five weeks ended Jan. 2 represented the first such period in which its sales topped $100 million, with the $110.1 million volume representing a 13.9% same-store gain. In the 48 weeks, Venture's volume was $578.3 million compared to $529.9 million in the previous year, including a same-store increase of 9.1%.

December sales for Murphy's Mart went ahead 13.4% with $87,219,000 rung up during the holiday period, compared to $76,888,000 a year earlier.

However, with the sales of the company's 334 conventional variety stores figured in, December volume rose by only 4.82%, to $142,565,000, over the year-earlier period.

Here, as elsewhere in the country and the industry, the economy is taking a toll: In 1980—itself not a stellar-performance year—the company posted a gain of 8.4% over 1979's Christmas volume.

For the 48-week period ended Dec. 31, 1981, company volume went ahead a scant 2.09% with the Mart stores registering a 7.2% gain to $437,-183,000 and the variety stores losing ground.

Zayre's 17.8% sales increase for the five weeks ended Jan. 2 included volume from Hit or Miss specialty stores and T. J. Maxx outlets. The percentage gain was larger than for the 48-week total, with the $1.719 billion in volume for the period representing a 15.6% gain over the previous year's $1.487 billion for the same period. (Sales have been restated to exclude the volume from nine Shopper's City stores which were sold by Zayre last spring.)

Jamesway's 16% gain for the five weeks was achieved on a base of 65 stores, compared to 63 last year. The month kept the Secaucus, N.J., discounter "on plan" with an 8% sales increase for the year to the end of the December period (Jan. 2). Volume was $284.9 million compared to $263.3 million the year before.

At Woolco, sales are not broken out from consolidated F. W. Woolworth volume. However, F. W. Woolworth's sales increase was 4.7% for the five weeks ended Dec. 29, and 2.1% for the 48 weeks, with a volume of $6.859 billion for the 48 weeks and $1.260 billion for the five weeks.

F. W. Woolworth chairman Edward Gibbons said "sales gains in domestic specialty stores exceeded expectations, and were greater than gains by domestic general merchandise stores."

In other reports, a Hills spokesman said December "was up slightly on a store-for-store basis, and this was measured against a strong December in the previous year." At Cook United, comparable-store sales were up between 9% and 12%, vp and chief financial officer Adam Talarek said, with Christmas-week sales gains running as high as 20%. At Heck's, spokesmen reported a December more sluggish than last year in several merchandise categories.

Catalogers

(Continued from page 11)

rooms.

Recycling of stores is seen as the prime growth vehicle for privately held regional and local catalogers.

Hartman, whose last three units were recycled stores, finds it "more prudent and economical" to reuse space, rather than build a new store as it did in the 1970's, an executive said.

High interest rates, he noted, have put pressure on landlords to put good sites on the market to generate rentals.

K's Merchandise Mart, which added a showroom last year as its sixth unit, had been building its stores. The cataloger was reviewing this situation, an executive said, as "we're now getting more offers of sites than in the past" and landlords "are more reasonable about their rents."

A Key Distributing executive added that "brand new space is prohibitive so we're looking for existing space." The cataloger's new store in Aiken, Ga., opened last year, was only 25,-000 sq. ft., rather than the chain's average 40,000 sq. ft. "We opened the smaller showroom because the space was available and the location fitted in with our marketing plans," he added.

The Aiken market is covered by Augusta, Ga., TV and newspapers, so the new showroom spread Key's advertising costs in the latter market among three stores, rather than just its duo in Augusta.

Regional and local catalogers are aiming to add units to enable them to better face thrusts into their markets by the Big 10 national and multiregional chains.

A Major Factor

Executives noted that when a small cataloger has a number of units in a market, it is better able to compete with larger chains. The higher costs that a Big 10 cataloger faces in going into a market where there's already a strong local showroom operation can present difficulties for the invading company.

Florida's Gold Coast is an example. L. Luria & Son is the dominant cataloger in this market and while Best Products and Service Merchandise each opened four there in 1980, only Best has expanded, adding just one more unit. H. J. Wilson, in fact, closed its one acquired Leeds unit because of the "excessive costs required to have a significant impact" in the market, "either through expansion or disproportionate advertisement and promotion" costs.

Federated Will Host Growth-Prone Smallies

NEW YORK—Expansion is on the minds of some catalogers who operate only one or two small showrooms.

Coordinator Federated Merchandising will hold a meeting for its members interested in expanding, during the group's gathering in Chicago during Housewares Show week.

Federated members who operate showrooms in the 15,000 to 30,000-sq.-ft. range will talk with other members who have opened new showrooms. A coordinator executive said the high costs of expansion, along with other possible pitfalls, will be among the subjects discussed.

Vornado Names Macnow

(Continued from page 2)

pany neither admitted nor denied any of the allegations in the S.E.C. complaint. Vornado claimed the charges stemmed from differences in accounting procedures.

According to the lawsuit, Vornado provided two cars each for the chain's president and chairman and one car each for all other officers of the company. Vornado also provided its officers with "various major credit cards," expense accounts at local restaurants which were billed directly to Vornado and "unitemized expense allowances of $650 per month" to certain executive officers.

The company also bought executive officers opera tickets worth $2,000 per year, and from 1976 through 1978 paid for a country club membership for its chairman of the board, which cost $6,890 for the first year and nearly $4,000 a year for the succeeding two years.

The S.E.C. never said that the issuing of these perquisites was in itself a violation of Federal statutes, but the company did not include any mention of the benefits in any relevant proxy materials sent to shareholders and the S.E.C. Therefore, the S.E.C. charged that the proxy statements Vornado produced during the period were "false and misleading" and violated Federal securities law.

16 Leading Regional Catalogers Eye 13 '82 Openings (Up 7%)

NEW YORK—The top 16 regional and local catalog showroom chains plan to outstrip last year's growth in 1982 with a 7% growth rate for new-store openings.

The accelerated store openings come despite the weak economy and increased competition from the 10 major national and multinational catalogers.

This growth among regional and local operators of full-line showrooms is taking place concurrently with a contraction of the catalog showroom field as a whole, as many tobacco distributors, under-financed "mom and pop" one-unit operators and retailers that run showrooms as sidelines have closed down their catalog business.

This contraction last year saw Grand Union shut Grand Distributors; Schnuck Markets close Show Case Jewelers; Shaffer Diversified phase out ESCO, and Sibley liquidate its operation. In addition to those four regional chains leaving the showroom field, more than a dozen one- and two-store companies closed their doors last year.

The top 16 chains (in number of units) operate 189 showrooms, 58.5% of the total of 323 units run by the 50 local and regional catalogers *DSN* tracked for this report.

The top 16 chains plan 13 openings, up 7%, which outpaces the 4.4% gain of last year. These increases come on top of the 14.6% increase in new stores in the boom year of 1980 in which 10 of the 16 chains opened units and two chains—Basco and R&R— grew mainly by acquiring other catalogers' units.

The projected growth doesn't reflect discussions and negotiations being carried out at presstime by catalogers such as E. H. Tepe and McDade, which haven't firmed up sites.

The latter, for example, has added a showroom every two to three years. One executive acknowledged that the chain was "in position" to expand this year as discounter Woolco was closing its stores in Chicago and the Woolcos are likely candidates for conversion to show-

(Continued on page 112)

Middle-Tier Catalogers' Plans

Chain (Headquarters)	Showrooms 1979	1980	1981	To be added in 1982
Masters (Sarasota, Fla.)	19	23	26	4
L. Luria & Son (Miami Lakes, Fla.)	16	19	21	4
Basco (Cherry Hill, N.J.)	12	18	19	0
Boardman (Albany, N.Y.)	15	16	15	0
Brendles (Elkin, N.C.)	11	13	13	0
Brand Names (Tonawanda, N.Y.)	10	11	11	0
Sam Solomon (Charleston, S.C.)	11	11	11	(4)
Hartman (Culver City, Calif.)	9	10	10	2
Present (Rochester)	8	8	9	0
E. H. Tepe (South Bend, Ind.)	7	8	9	0
David Weis (Monroeville, Pa.)	9	9	9	2
Key Distributors (Augusta, Ga.)	7	7	8	1
Ellman (Atlanta)	6	7	7	0
McDade (Chicago)	6	7	7	0
R&R (Fitchburg, Mass.)	5	7	7	0
Towers (Secaucus, N.J.)	7	7	7	0

Source: DSN Research

Shewmaker Adds Duties At Wal-Mart

BENTONVILLE, Ark.—Wal-Mart's president and chief operating officer Jack Shewmaker has been assigned the additional duties of overseeing the chain's financial, distribution and construction areas.

S. Robson Walton, himself recently named vice president, secretary and general counsel as part of the chain's executive shuffling, said the elevation of Shewmaker in no way signifies a reduction in the role of Sam Walton, Wal-Mart's chairman of the board and chief executive officer.

"Sam Walton will be as active as he's ever been in the daily operation of the company," said the younger Walton, "What the move does signify is the combining of all operations under Jack Shewmaker. The move is a logical evolution."

Other movers included David D. Glass, executive vice president and chief financial officer, who will assume the duties of vice chairman and will continue as chief financial officer, following the retirement of Ferold G. Arend. Arend, who has been semiretired since 1978, will continue as a director and member of the executive committee.

West Virginia state law prohibits advertising spirits in out-of-store promos, so Heck's, Winfield, W. Va., emphasizes the category within the grocery department. *(DSN photo)*

Law Lets Heck's Test Wine and Beer

CHARLESTON, W. Va.—A change in the West Virginia liquor law has enabled Heck's to test a 12-ft. run of wine in its Charleston-area stores.

The law, analogous to the New Hampshire law which prohibited the sale of alcoholic beverages by general merchandise stores, was recently amended to allow stores which sell $3,000 worth of grocery items a month, and have at least

(Continued on page 111)

Nike Sues Zayre For $2 Million; Alleges 'Swoosh' Infringement

FRAMINGHAM, Mass.—Zayre is facing a $2 million suit filed by Nike, a manufacturer of athletic shoes, for trademark infringement.

At issue is the sale of athletic shoes by Zayre with patterns on the sides which Nike alleges are confusingly similar to its own. No court date has been set in the suit, which was filed last month in U.S. District Court in Concord, N.H.

The Nike action charges Zayre with "trademark infringement, trademark dilution, unfair competition and deceptive trade practices." A central issue—how close a knockoff item can legally be to the original—is of wide interest to other discounters, particularly in some soft goods merchandising and H&BA.

Zayre chairman Sumner Feldberg said, "Our attorneys are looking into the matter," but had no further comment.

Tom Niebergall, assistant corporate counsel at Nike, said: "This isn't just a nuisance suit. It's part of a program we have begun, and we have filed suits against others also. We mean business."

Nike's own shoes have a distinctive pattern they term a "swoosh" on the sides, and the company objects to three designs which have appeared on the sides of shoes allegedly sold by Zayre:

One pattern has a similar "swoosh" with a dot in front of it; a second design is a similar "swoosh" with holes, giving it a Swiss-cheese appearance, a third pattern resembles an inverted "swoosh."

Nike has asked for $2 million in aggravated damages. The manufacturer did not ask for a temporary restraining order, which would keep Zayre from selling such shoes until a hearing.

"As far as we're concerned, anything they do now is just running up the bill," Niebergall said.

Niebergall said Nike does not sell to Zayre, and did not know whether the athletic shoes in question were imports or were made domestically. He said they did resemble athletic shoes made by a domestic manufacturer which is also being sued by Nike.

The advertised shoes appeared in four-color ads during the fall, Niebergall said. Nike has had no response from Zayre to date.

New Harts Prototype Unveils Series of 'Shops'

HUNTINGTON, W. Va.—Harts opened its third area unit here last month, splitting a 125,000-sq.-ft. former Sears store with a Big Bear supermarket, Harts' sister operation.

The 88,000-sq.-ft. Harts—the first with side- and front-door checkouts—features a race-track layout surrounded by a series of shop-within-a-store departments. The unit is the chain's latest state of the art in both layout and decor package.

Still, it may be the site that is the thing here: The location already had strong customer recognition, thanks to Sears' eight-year tenure (the retailer relocated its Huntington unit 25 miles east in a new regional mall). In addition, city plans call for a new bridge to be built across the Guyandot River at 29th Street, one of the two streets fronting the new store.

"The new bridge will dump traffic right at our doorstep, making us more and more accessible to a larger segment of the local population," explained Dave Godfrey, Harts' vice president and general manager. He estimated the unit will draw customers from a 15-mile radius.

Nevertheless, the opening of the discounter's latest unit raises question as to whether this city, hard by the Ohio River, can support two of the discounter's stores, the other being an eight-year-old Harts a little more than a mile up U. S. 60. (The third area Harts is located on Fourth Street at West Route 60.)

"We have no plans right now to close our older store," said Godfrey, "although we will monitor the store's performance closely to determine what impact the newer store has on it." The chain has never opened two stores in such close proximity, he added.

For a town of 63,362, the discount competition is tough. A Heck's unit is located between the two Harts, and Hills anchors a small shopping plaza just to the north of the older, Route 60 Harts. K mart operates an 84,000-sq.-ft. store just beyond the city line, a mile

(Continued on page 104)

Harts, Huntington, W. Va., lured customers to its newly redesigned jewelry counter during the grand opening by offering up to 75% off on gold jewelry. *(DSN photo)*

HEALTH & BEAUTY AIDS

Chains Gain Up to 40% in Sun-Prep Biz

Discounters emphasizing a viable product mix, a good in-stock position and a strong promotional program showed sales increases last year in the sun preparation market up to 40% over 1980 levels.

Planogrammed endcaps or register tips which were maintained throughout the 10-week selling season keyed the sales increase, with gross margins in the 30% area.

This special Product Movement Audit supplied by Boston Distributors of Maple Heights, Ohio, encompassed the entire 1981 selling season. It showed that Plough continued to dominate by holding six of the top 10 positions including the No. 1 ranking of Coppertone Lotion (8 oz.). Hawaiian Tropic outscored Plough's Tropical Blend by landing in the Nos. 2 and 3 spots. Tropics, with 36% of the suntan sales, are now our No. 1 segment as regular lotions and oils' share (32%) has been eroded by sunscreens and face products.

New Leader

Sunscreens hold their 22% of category sales, shared by a huge number of sku's. The leading screening agent was 3M's MMM What a Tan SPF 8, followed by Johnson & Johnson's Sundown Moderate and Extra Protection formulas.

Shade, from Coppertone, and Eclipse scored well in total brand sales. The former market leader, Pre Sun, fell to No. 37. The new "Faces" subcategory, represented by Plough's "For Faces Only," captured about 4% of total sales, with the leading sku landing in the No. 33 spot.

The mass merchant has the opportunity in 1982 to grab a larger slice of the suntan pie as the key manufacturers are planning substantial increases in television, radio and magazine support. With only an estimated 45% of the population presently using tanning products the increased expenditures will result in new users and stronger business. A well-timed advertising program and a strong in-stock position will yield profitable results.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	SUNTAN PREPARATIONS			
1	Coppertone Lotion 8 oz. SPF #4	16,292	3.04	49,528
2	Hawaiian Tropic Dark Tanning Oil 8 oz. #2	17,494	2.20	38,487
3	Hawaiian Tropic Dark Tanning Lotion 8 oz. #2	17,403	2.20	38,287
4	Q.T. Lotion 4 oz. #2	14,095	2.67	37,634
5	Coppertone Lotion 4 oz. #4	14,193	2.33	33,070
6	Tan Pad Tanning Blanket 12-TP	10,611	2.65	28,119
7	Tropical Blend Oil 8 oz. #2	10,012	2.75	27,533
8	MMM What A Tan Lotion #8 6 oz.	8,239	3.19	26,282
9	Coppertone Oil 8 oz. #2	8,699	3.04	26,097
10	Tropical Blend Lotion 8 oz. #2	8,657	2.75	23,807
11	Sundown Moderate 4 oz. #4	7,086	3.18	22,533
12	Coppertone Oil 4 oz. #2	9,489	2.33	22,109
13	Sundown Extra Protection 4 oz. #6	6,892	3.18	21,917
14	Solarcaine Aerosol 3 oz.	10,419	2.09	21,776
15	MMM What A Tan Oil #2 6 oz. #2	7,445	2.87	21,367
16	Coppertone Tropical Lotion 8 oz. #2	6,606	3.23	21,337
17	MMM What A Tan Oil 6 oz.	6,564	2.87	19,700
18	Hawaiian Tropic Professional Tanning Oil 8 oz.	7,173	2.70	19,367
19	Hawaiian Tropic Forever Tan 8 oz.	6,835	2.76	18,865
20	Coppertone Tropical Oil 8 oz. #2	5,731	3.23	18,511
21	Solarcaine Lotion 6 oz.	7,795	2.31	18,006
22	Tropical Blend P/C Oil 8 oz. #2	6,132	2.87	17,599
23	Tropical Blend P/C Lotion 8 oz. #2	5,901	2.96	17,467
24	Tropical Blend Sunscreen 8 oz. #4	5,822	2.87	16,709
25	Coppertone Shade 4 oz. #6	5,472	3.05	16,690
26	Eclipse Lotion 4 oz.	5,922	2.78	16,463
27	Coppertone Shade 4 oz. #8	6,522	2.47	16,109
28	Coppertone Super Shade 4 oz. #15	4,956	3.21	15,909
29	Eclipse Lotion 4 oz.	5,037	2.78	14,003
30	Eclipse Lotion 4 oz.	5,699	2.40	13,678
31	Tan Care Lotion 8 oz.	4,059	3.23	13,111
32	Coppertone Lite Oil 8 oz. #2	3,765	3.39	12,763
33	For Faces Only 2 oz.	5,611	2.04	11,446
34	Tropical Blend Lite Oil 8 oz. #2	3,267	3.28	10,716
35	Sundown Maximal 4 oz. #8	3,004	3.41	10,244

Source: Boston Distributors, Maple Heights, Ohio

Display's the Thing at Harts

Harts' new cosmetics presentation includes shelved and mirrored display fixtures. This Huntington, W. Va., unit shows the chain's movement from blister-packed to loose-stock packaging. *(DSN photo)*

Goody. Before they buy,

Even before they enter the store, consumers are already sold on the Goody name. It represents a 75 year tradition of quality products they have known and trusted for more than three generations.

But Goody doesn't wait for sales to happen. *We help create them* with special sales support programs. Like our nation-wide advertising campaign. It is the only hair accessories program of ongoing, informative ads to appear in the major women's and teen magazines including Good Housekeeping, Vogue, Seventeen and Mademoiselle delivering 40,000,000 impressions every month. And our consumer advertising is supplemented by publicity coverage that keeps Goody products in front of your market all year round.

Goody helps create customers at the point of sale, too, with complete promotional support. Customized planograms that carry a sales-proven mix of the fastest moving items and the latest design trends and styles.

March of Dimes Aided by Zayre

FRAMINGHAM, Mass. —More than 3,500 Zayre employees joined forces in WALKAMERICA to raise $200,000 for the March of Dimes in 1981.

Participants from 250 Zayre stores in 23 states walked a total of 63,000 miles to exceed the company's goal of earning $150,000.

Over the past two years of involvement with the March of Dimes, Zayre has contributed close to half a million dollars to the fight against birth defects, said Stanley Berkovitz, vice president and director of consumer and community affairs.

HOUSEWARES SHOW

HOUSEWARES

These housewares figures for Jan. 1 through Nov 7, 1981, were supplied by Myron Nickman, a division of Cook United, Maple Heights, Ohio, and cover 900 stores, including 125 discount stores in the Midwest. Average retail prices reflect typical price points for discount chains.

TABLETOP

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	992 Anchor Hocking candle stcks	13,568	13.36	181,268.48
2	20-4 Corelle 20-pc set, gold	3,274	31.70	103,785.80
3	20-6 Corelle 20-pc set, Woodland	2,561	31.64	81,030.04
4	20-1 Corelle 20-pc set, green	2,354	31.86	74,998.44
5	20-5 Corelle 20-pc set, Old Towne Blue	1,962	31.43	61,665.66
6	3216-32 Corelle 16-pc set, Cinnamon	1,558	30.94	48,204.52
7	2020-12 Expressions 20-pc set, Ind Smmr	894	49.50	44,253.00
8	2020-13 Expressions 20-pc set, Meadow	894	49.41	44,172.54
9	20 Corelle 20-pc set, white	1,298	29.89	38,797.22
10	3216-33 Corelle 16-pc set, almond	1,128	31.39	35,407.92
11	16-Y-N Corelle, 16-pc set, Butterfly gold	1,289	25.10	32,353.90
12	115 Pyrex Hurricandle	5,124	6.29	32,229.60
13	2020-7 Expressions 20-pc set, Wildflower	607	49.90	30,289.30
14	16-I-N Corelle 16-pc set, Spring	1,196	25.03	29,935.88

GLASSWARE

1	8003048 Durand 5½-oz juice, 4 pack	18,180	4.47	81,264.60
2	Libbey 24-pc set, Bolero, Tawney	2,967	10.21	30,293.07
3	N3600 Anchor Hocking 24-pc st, Nwprt, gld	2,833	9.30	26,346.90
4	3600 Anchor Hocking 24-pc st, Nwprt, crystl	2,823	9.17	25,886.91
5	Libbey 24-pc set, Bolero, gold	2,108	10.09	21,269.72
6	Libbey 24-pc set, Bolero, blue	2,009	10.19	20,471.71
7	97012 Libbey 2-gal crystl mlk bttl	1,000	15.15	15,150.00
8	20401T Libbey 17-oz ice tea, swirl	39,348	0.34	13,378.32
9	8466 Libbey 6½-oz tall wine, Cttn, 4-pk	2,628	4.40	11,563.20
10	8469 Libbey 6½-oz red wine, Cttn, 4-pk	2,112	4.38	9,250.56
11	8008278 Durand 7-pc salad set, Diamant	1,036	8.86	9,178.86

COOKWARE

1	297-79 Chilton 7-pc set, SlvStn, Almnd	5,766	27.40	157,988.40
2	36728 Wear-Ever 8" chf pn, Bnty, SlvrStn, Alm	10,736	5.52	59,262.72
3	0509 Gen Hous Granitware 18" ovl rstr	4,572	7.90	36,118.80
4	56027 Wear-Ever Preferred 7-pc set	1,072	33.57	35,987.04
5	64900 Ekco 9-pc bakeware set	2,302	13.97	32,158.94
6	0707 Gen House Granitware 21-qt canner	2,664	10.40	27,705.60
7	64110 Ekco 1"-deep Bkrs Scrt ck sht	8,184	2.98	24,388.32
8	1530 Gen House Granitware 12-qt sauce pan	2,472	8.65	21,382.80
9	64100 Ekco ¾"-deep Bkrs Scrt ck sht	7,800	2.60	20,280.00
10	46030 Wear-Ever 10" saute pn, Prmm, SlvStn	2,112	9.41	19,873.92
11	950-20 Chilton 12-qt Sauce pot	2,604	7.43	19,347.72
12	64330 Ekco colony cake pan, Baker's Secret	6,960	2.73	19,000.80
13	46032 Wear-Ever 12" saute pan, Prem, SlvStn	1,260	12.71	16,014.60
14	0507 Columbia 3-lb round roaster	4,560	3.49	15,868.80

GADGETS

1	29046 Rhodes Daisey bell timer	4,302	5.46	23,488.92
2	407-21 Swing-A-Way hand can opener, chrome	7,188	3.00	21,564.00
3	3000 American Family Kitchen scale	1,414	9.80	13,857.20
4	101 Foley food mill	1,530	8.15	12,469.50
5	277-28 Foley 8-pc cook set, chocolate	5,064	2.27	11,495.28
6	2800 E-Z Foil electric burner bibbs	10,584	0.99	10,478.16
7	815 E-Z Foil oven liner	7,176	1.46	10,476.96
8	101 Range Kleen 6" reflector bib	4,776	2.03	9,695.28
9	102 Range Kleen 8" reflector bib	3,768	2.44	9,193.92
10	0817 Frigidaire ice cube tray	6,248	1.47	9,184.56

(Continued on page 37)

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PMA®
PRODUCT MOVEMENT AUDIT

Buyers to Seek Volume Basics, Stabilized Mix

By Howard Bobroff
President
Myron Nickman Distributors

Record-breaking sales volume in the last few days before Christmas pulled fourth quarter sales for discounters out of the doldrums. And, the year in housewares finished in good shape, well ahead of last year. Some categories, such as cookware and glassware, performed outstandingly well. The backbone resources, including Corning and Rubbermaid, demonstrated their selling clout in the face of a weak economy.

But, discounters are entering 1982 knowing full well that they are going to have to work hard for their share of business. Keeping the bottom line in respectable shape will be the major challenge of the year.

Consequently, buyers will descend on Chicago with two thoughts in mind. First, they will look for opportunities to buy basic, salable-in-volume merchandise at a price.

At the same time, there will be a concerted effort to stabilize assortments. Selecting the top-selling items and plan-ogramming departments for maximum inventory turns will be at the top of the discount store buyers' priority list. "Inventory management" is likely to become the buzzword at the housewares show.

These priorities will win out over the search for new items. Anticipating this, manufacturers did not prepare a long list of new merchandise and stuck to offering variations on present lines.

An exception to this will be in such growing houseware areas as microwave cookware and canning items. The canning category, traditionally a good area during the second quarter, should be even bigger this year with customers looking for ways to hold down the family bills.

Discounters can be expected to take their cue from last year's growth in the canning category and expand their assortments in canning cookers, strainers and holders. The items will be stocked individually and in sets. Foley and G & S Metal Products are among those expected to be the major suppliers for canning products.

This Product Movement Audit, covering the period Jan. 1 through Nov. 7, 1981, shows the strength of several new items which did not appear on the discounters' shelves until the holiday selling season.

Two of them appear in the tabletop category. Anchor Hocking's candlesticks were a best seller and ranked in the No. 1 spot. Another exceptionally strong item was the

(Continued on page 37)

HOUSEWARES SHOW

PRODUCT MOVEMENT AUDIT

Buyers to Seek

(Continued from page 26)

Pyrex Hurricandle, taking the 12th place in dollar ranking. In unit terms, the Hurricandle would move up to the No. 2 rank.

Another strong holiday item, one which did not appear on the movement audit, was a decorative item, Libbey's glass pine trees.

Corelle sets remain the major portion of the dinnerware area with gold leading the way in color.

The glassware listing shows the continuing sales strength in two combination sets, one from Libbey, the other from Anchor Hocking. If the unit sales in all colors available in Libbey's Bolero or Anchor Hocking's Newport were added together, the exceptional strength of these combination sets would be even more apparent. Taking the colors individually, Bolero in tawny ranks second on the glassware movement audit and newport in gold is No. 3.

A color trend to watch in glassware this year is the possibility of sales growth in blue. Already a strong color in the Bolero set, blue is being shown in many more glassware offerings and in several housewares categories. There is a possibility that its sales will be strong and cut across several housewares areas.

Once again Libbey's Citation line of stemware captured four places within the glassware audit. The large unit movement of each of the stemware items demonstrates that retailers and customers view stemware as a year-round item.

The leader in the cookware category was Chilton's seven-piece set in almond, which re-

(Continued on page 38)

HOUSEWARES

(Continued from page 26)

PLASTICS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	5207 Fesco 32-gal trash can, avocado	3,390	11.56	39,188.40
2	7200 Fesco 20-gal trash can, avocado	5,082	7.11	36,133.02
3	C124CD Lustro-Ware 24-gal Super Can, green	2,496	13.16	32,847.36
4	C-124C Lustro-Ware 24-gal trash can	3,612	7.80	28,173.60
5	C124 Lustro-Ware trash can, alum color	2,364	11.20	26,476.80
6	C-111C Lustro-Ware 12-gal container, springtop	3,108	6.97	21,662.76
7	P-80 Lustro-Ware 11-qt heavy duty pail	9,672	1.75	16,926.00
8	5861 Fesco No Hands can, almond	2,394	6.43	15,393.42
9	BS-21 Lustro-Ware 4-pc bowl set, w/cvr yellow	4,572	3.02	13,807.44
10	W5782 Fesco 44-qt Lift-top bskt, chocolate	2,472	5.18	12,804.96
11	C-144C Lustro-Ware 44-gal wst bskt, flip-tp	2,088	5.84	12,193.92
12	W5782 Fesco 44-qt lift-top bskt, almond	2,196	5.19	11,397.24
13	B91 Lustro-Ware laundry basket	4,992	1.97	9,834.24
14	1956 Fesco 56-qt round wst bskt, gold	1,998	4.89	9,770.22
15	6251 Eagle 110-oz oblong SuperSeal	4,596	2.04	9,375.84

CLEANING & CHEMICALS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	1351 Johnson Raid, 18 oz	13,836	3.29	45,520.44
2	4101-16 3M 16-oz Scotch Guard	10,224	4.03	41,202.72
3	00441 Alberto 6-oz Static Guard	23,232	1.70	39,494.40
4	118 Drackett 67-o Drano, liquid	18,102	2.16	39,100.32
5	6140 Woolite 16-oz liquid	22,560	1.70	38,352.00
6	6220 Woolite 12-oz S C rug cleaner	15,492	2.42	37,490.64
7	0339 Johnson Lemon Pledge 14-oz	15,864	2.34	37,121.76
8	0182 Johnson 27-oz Future	11,364	3.16	35,910.24
9	1601 Johnson 16½-o Yard Guard	11,124	3.16	35,151.84
10	83 D-Con Four Gone, single pack	11,004	3.10	34,112.40
11	120 Drackett Drano 26-oz	14,352	2.32	33,296.64
12	201 D-Con 1-lb Ready-Mix pesticide	16,896	1.96	33,116.16
13	116 Drackett 32-oz indstrl strgth clnr	26,544	1.24	32,914.56
14	293 Drackett 12½-oz Endust	15,588	2.06	32,111.28

(Continued on page 38)

Microwaves Spark Appliance Mfrs.' Nov. Shipments

CHICAGO—Major appliance shipments for the month of November 1981 totaled 1.9 million units, a 17% decline compared to November 1980.

The figures, released by the Association of Home Appliance Manufacturers, indicated that only one appliance classification registered a gain in shipments.

Microwave oven/range unit shipments increased by 9%, while all other products declined 15%-25%.

During the first 11 months of 1981, appliance shipments totaled 28.1 million units, an increase of 1% over the comparable period of 1980. Microwave oven/ranges led again with a 22% increase.

Other products showing an increase for the 11-month period were room air-conditioners, ahead by 17.6%, and disposers, 8.6%. All other product category shipments declined.

LAST YEAR, REGAL USED ENOUGH SILVERSTONE TO PUT 77 COATS ON THE SILVERDOME.
Regal® is the Super Bowl Champ when it comes to SilverStone®. No one ships as much cookware with SilverStone.
In a single year, Regal uses over 33 million square feet of SilverStone. Which is equivalent to a one inch strip going around the earth's equator three times.
Over half of the cookware sold today is coated with a non stick. And Regal offers you 79 products with SilverStone interiors to help you get your share of the volume.
See why Regal's outshipping everyone by visiting the Regal Booth at the Housewares Show. You'll find us at M505 M511 & M606 M612.
Regal®

HOUSEWARES SHOW

HOUSEWARES

(Continued from page 37)

BATH SHOP

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	443 Selfix portable shower spary	3,036	6.93	21,039.48
2	1107 Grayline lrg shower caddy, white	3,540	3.91	13,841.40
3	2110 Selfix twin hook, 2-pack	10,764	1.20	12,916.80
4	C441 Selfix shmpoo spray	6,840	1.58	10,807.20
5	38110 Ekco 18" towel bar, chrome	5,304	1.74	9,228.96
6	38890 Ekco toilet tissue holder, chrome	5,184	1.65	8,553.60
7	2274 Selfix 24" towel bar, plastic	4,908	1.60	7,852.80
8	W64 Hanson scale, Princess, white	1,064	7.10	7,554.40
9	2273 Selfix 18" towel bar, plastic	4,992	1.46	7,288.32
10	1101 Grayline shower caddy, white	2,976	2.41	7,172.16
11	38120 Ekco 12" towel bar, chrome	4,296	1.58	6,787.68
12	38160 Ekco 24" twin towel bar, chrome	2,256	2.95	6,655.20
13	W64 Hanson scale, princess, gold	932	7.08	6,598.56
14	2272 Selfix 12" towel bar, plastic	4,836	1.36	6,576.96

RUBBERMAID

1	2894 32-gal Refuse cntnr, Roughneck	3,846	17.43	67,035.78
2	2882 20-gal Refuse cntnr, avocado	4,242	10.60	44,965.20
3	2865 Ice cube tray, blue	39,936	0.59	23,562.24
4	1610 Calico shelf liner	3,910	5.38	21,035.80
5	2850 Covered wastebasket, chocolate	3,294	6.20	20,422.80
6	2850 Covered wastebasket, gold	2,754	6.12	16,854.48
7	2965 10¾"-hi Rect laundry bskt, chocolate	3,594	4.12	14,807.28
8	6032 Delux dish drainer, chocolate	2,904	4.73	13,735.92
9	0450 Bath mat, white	6,348	2.16	13,711.68
10	2965 10¾"-hi Rect lndry bskt, almnd	3,096	4.38	13,560.48
11	1603 Shelf liner, white	11,076	1.19	13,180.44
12	1904 Spatula	19,440	0.67	13,024.80

CORNING

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	F-330 French White Collection	1,023	26.35	26,956.05
2	P-158 Grab-It set	1,701	15.33	26,076.33
3	P-1420-8 Large Counter Saver, Spice	1,416	18.27	25,870.32
4	P-1420 Medium Counter-Saver, Cornflower	933	17.51	16,336.83
5	P140 Sidekick	2,481	6.54	16,225.74
6	P1420-7 Counter saver, wildflower	783	18.41	14,415.03
7	A-300 Kitchen Starter set, Cornflower	1,021	12.95	13,221.95
8	F-2 CV 2½-qt cov oval cssrl, French white	802	16.04	12,864.08

PYREX

1	2330 3-qt Oblong bake dish w/basket	2,079	11.03	22,931.37
2	233 3-qt Oblong bake dish	4,020	4.44	17,848.80
3	440-6 4-pc Bowl set w/handle, Woodland	1,388	11.77	16,336.76
4	440-49 4-pc Bowl w/handle set, Autumn Hrvst	1,386	11.38	15,772.68
5	480-49 3-pc Casserole st, Autumn Harvest	1,166	12.46	14,528.36
6	532 1-qt Measuring cup	4,212	2.81	11,835.72
7	508 1-cup Liquid measure	6,684	1.71	11,429.64
8	470-49 3-pc Bake n'serve, Autumn Hrvst	1,088	10.44	11,358.72

MICROWAVE COOKWARE

1	PM469-T1 Anchor Hocking bacon rack	8,508	4.76	40,498.08
2	MW2 Corning micro browning grill	1,435	20.13	28,886.55
3	PM444/TV Anchor Hocking baking set	4,824	4.62	22,286.88
4	PM481-T1 Anchor Hocking 1-qt versatility pn	4,714	4.62	21,778.68
5	PM447-T1 Anchor Hocking muffin pan	4,188	4.65	19,474.20

PMA® PRODUCT MOVEMENT AUDIT

Buyers to Seek

(Continued from page 37)

ceived extensive promotional support throughout last year. But, the polished metals, in sets and open stock, dominate by far in cookware.

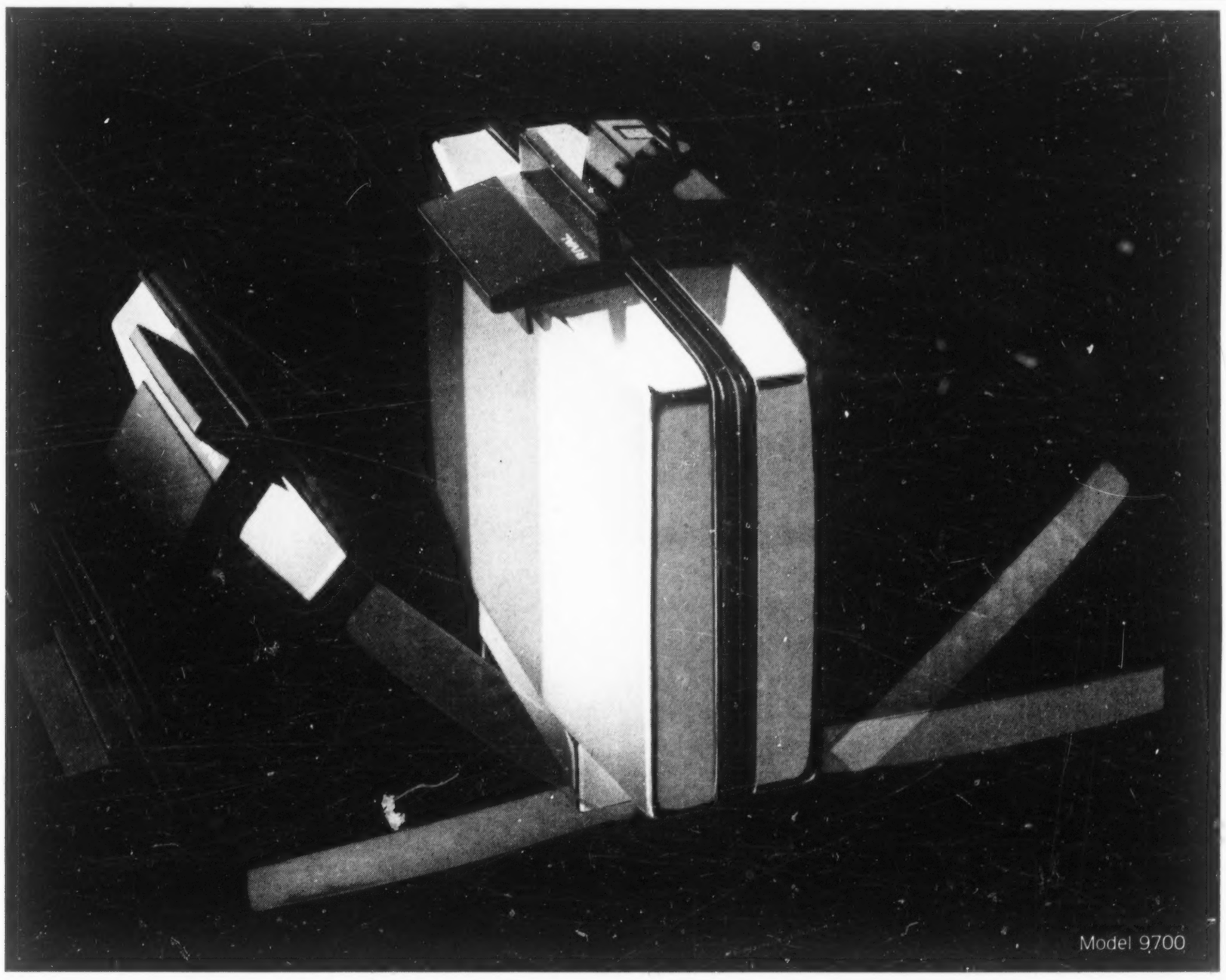
This year buyers will make an effort to create more sales volume in higher-priced, heavier-weight cookware. Many will also increase their offerings in open stock cookware, particularly the important 8-, 10- and 12-in. saute pans. This move will be made to bring open stock vs. set sales in line with the national sales figures. These figures, according to Dupont's cookware study, show that 72% of all cookware sales are in open stock items against 28% in sets for the first half of 1981.

In the bakeware segment of cookware, Ecko's Baker's Secret line continues to be the flagship assortment.

Activity in the plastics category centers around various sizes of Fesco and Lustro-Ware cans. But, it is interesting to note the rise in sales of Lustro-Ware's trash can in the aluminum color. Placing fifth on the movement audit, the aluminum color in a plastic can is the manufacturer's effort to appeal to the galvanized metal can customer. The number of units sold last year reflects that the effort is succeeding.

Topping the growing microwave cookware category is Anchor Hocking's bacon rack. This item is the leader in dollar and unit terms. In second place is Corning's browning grill, but all of Corning's microwave browning items have been selling in quantity.

This year the microwave category should bring a substantial chunk of additional business to the cookware area. Many discounters will establish gondola sections slated for the microwave merchandise.



Stands out. Stands up. Saves space.

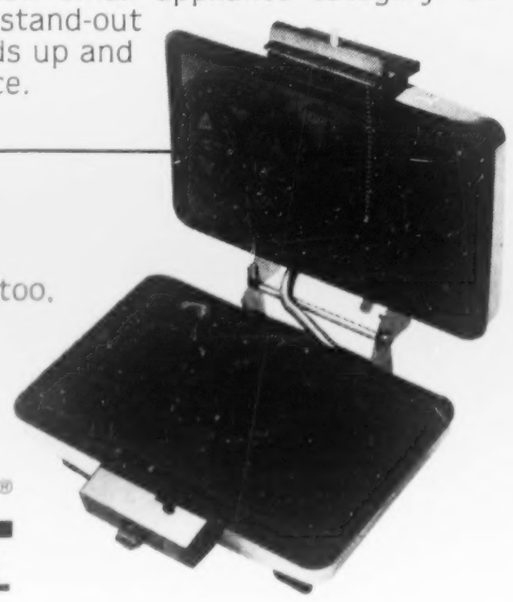
Rival's new Waffler/Grill is a stand-out in a space-conscious age.

It stands up for storage and takes less space than a toaster—just 4½" by 10½."

And its sophisticated dome design makes it a stand-out on the selling shelf.

It's a waffle baker that turns out two 5 x 6" waffles without sticking. It's also a grill for sandwiches and it opens to a full 120 square-inch griddle for pancakes or eggs and ham.

It's just the right size, with just the right features, and a brand-new entry in a time-proven basic small appliance category. So stock the stand-out that stands up and saves space.



Model 9705 Pizzelle and Waffle Maker
This model makes two 5" Italian pizzelles in 90 seconds. These old world wafer cookies can be shaped into cones, too, for cream fillings. And it's fun and easy to bake cannoli, krumkake and tortillas. Reverse the grid and you have a waffle baker.

RIVAL® WAFFLER/GRILL

RIVAL MANUFACTURING COMPANY KANSAS CITY, MO 64129 In Canada: Mississuaga, Ontario L4V 1E3

ALCO's Biz Gain Outdoes Net Rise

ABILENE, Kan.—Sales of Duckwall-ALCO Stores for the nine months ended Oct. 25 were up 14.9%, to $133,416,165, from $116,147,209 in the corresponding period in 1980.

Net income rose 1.9%, to $1,552,696 from $1,523,000.

The company's third-quarter sales increased 15.9%, to $46,095,811 from $39,785,314, but net income was down 1.3%, to $405,708 from $411,000.

Robert R. Soelter, president, said the third-quarter drop in net income was the result of unusual increases in expense items such as interest rates, supplies, rents and fixture rentals.

Soelter also said that the adoption of the LIFO inventory valuation method reduced 1981 nine-month earnings by $340,282 and 1980 nine-month earnings by $249,304.

HOUSEWARES SHOW

PRODUCT MOVEMENT AUDIT

Most Producers To Offer Strong Promo Setups

By Jerry Falk
Executive Vice President, Bacar Inc., Distributors

The retail business in California for the pre-Christmas selling period was relatively strong. This reflects the fact that the area has suffered less than most parts of the country from the recession. The state's electronics industry and agricultural products are keeping employment fairly high.

However, discounters have been playing it very cautiously. As a result, there has been a great deal of last-minute buying.

New merchandise will not be abundant at the housewares show. Instead, manufacturers will be relying heavily on variations of current lines.

Obviously, the first half of 1982 is going to be a tough one for everyone, and the most important way for retailers to

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Federated Ups Charity Contribution

CINCINNATI—Federated Department Stores has instituted a new revised charitable contributions plan for matching company employees' contributions to organizations and institutions.

The plan extends Federated's previous plan which provided $3.35 million in charitable contributions during 1981, and is part of a plan to double the corporation's commitment as a percentage of pretax earnings by 1985.

Under the new program, each employee is entitled to matching funds of up to $4,000 per year for institutions of higher learning; $500 for state-accredited public, private or parochial secondary schools, and $500 to civic and cultural groups.

Previously, a $2,000 limit existed on contributions to colleges and universities. The new plan also removes a limit on how much any single institution can receive.

The program will be administered by Federated's 20 divisions, which will identify which civic and cultural groups are eligible for matching funds based on the Internal Revenue Service guidelines for tax deductible contributions.

HOUSEWARES

These housewares figures for Jan. 1 through Nov. 13, 1981, supplied by Bacar, distributors, San Jose, Calif., cover 1,300 stores, including 200 discount department stores. Average retail prices listed reflect typical price points for discount store clients.

TABLETOP

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	2020-16 Expressions 20-pc set, Strawberry	1,413	66.59	94,091.67
2	2020-7 Expressions, 20-pc set, Wildflower	1,394	66.59	92,826.46
3	3216-32 Dimensions Iv 16-pc set, Cinnamon	2,096	39.59	82,980.64
4	2020-12 Expressions 20-pc set, Indian Summer	1,200	66.59	79,908.00
5	20-4 Corelle, 20-pc set, gold	1,894	40.49	76,688.06
6	A-500-8N Corning Chef Master set, Spice	899	75.59	67,955.41
7	2020-13 Expressions 20-pc set, Meadow	883	66.59	58,798.97
8	20 Corelle 20-pc set, white	1,445	37.79	54,606.55
9	3216-33 Dimensions Tv 16-pc set, Almond	1,344	39.59	53,208.96
10	20-6 Corelle 20-pc set, Woodland	1,297	40.49	52,515.53
11	3216-31 Dimensions Iv 16-pc set, Citrus	1,205	39.59	47,705.95
12	16-4 Corelle 16-pc set, gold	1,225	32.39	39,677.75

GLASSWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	2417-26 Jeanette punch bowl set, 26-pc	3,492	12.60	43,999.20
2	515 Libbey, 6½-oz tall wine, Citation	6,214	6.48	40,266.72
3	17506 Wheaton 1-gal Sun tea jar w/lid	8,412	4.14	34,825.68
4	771 Libbey 7-oz margarita glass	14,878	2.07	30,797.46
5	519 Libbey 10-oz goblet, Citation	4,116	6.48	26,671.68
6	682 Libbey 11-oz white wine, Citation	3,618	6.48	23,444.64
7	516 Libbey 6½-oz red wine, Citation	3,412	6.48	22,109.76
8	473 Libbey 24-pc country squire set	729	29.25	21,323.25
9	490 Libbey 8-oz wine, Vin Connoisseur, 8-pc	1,633	13.05	21,310.65
10	904 Libbey Chivalry Beverage 4-pk	4,165	4.77	19,867.05
11	515 Libbey 6½-oz tall wine, Citation	2,987	6.48	19,355.76
12	905 Libbey Chivalry cooler, 4-pk	3,616	5.13	18,550.08

COOKWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	26030 Wear-Ever prf SilverStone 10" ch fry pan	10,229	10.34	105,767.86
2	707 Gen. House Granitware 21-qt canner	5,274	19.35	102,051.90
3	37056 T-Fal 10" skillet, rouge	9,355	9.88	92,427.40
4	2701 Revere 2 ⅓-qt whst tea ktl cop-btm	4,451	17.55	78,115.05
5	3501 Revere 3½-qt tea kettle, cop-btm	3,136	23.40	73,382.40
6	0509B15 Gen House roaster, 15-lb bird	4,799	12.83	61,571.17
7	2252-2 Revere 2-qt tea kettle, cop-btm	1,999	27.90	55,772.10
8	1121 Revere 6-cup tea kettel, cop-btm	3,505	15.75	55,203.75
9	26028 Wear-Ever Prel SilverStone 8" chf fry pn	6,690	8.09	54,122.10
10	64330 Ekco B/S 9x13 oblong cake pan	13,762	3.41	46,928.42
11	C-7966 Comet 16-qt cov'd sauce pot	3,151	14.54	45,815.54
12	W-3270 Regal 10" skillet, SilverStone	4,547	9.88	44,924.36

BATH SHOP

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	1107 Grayline large shower caddy	7,707	5.12	39,459.84
2	1101 Grayline shower caddy	11,310	3.14	35,513.40
3	210C Kellogg bowl brush, plastic	13,331	0.98	13,064.38
4	C-441 Selfix shampoo spray	6,020	2.06	12,401.20
5	443 Selfix portable wall/hand shower	1,285	9.62	12,361.70
6	3300PM Borg scale square, brown	754	16.19	12,207.26
7	3300PM Borg scale square, white	709	16.19	11,478.71
8	3300PM Borg scale square, gold	637	16.19	10,313.03
9	2525LM Borg scale, Feminique, almond brown	374	25.19	9,421.06
10	09-3644 Empire super bowl brush	6,816	1.34	9,133.44
11	2525LM Borg scale oval, brown	357	25.19	8,992.83

(Continued on page 48)

weber calendar for success!
spring
Fresh and new... Weber One-Touch™ system. Spring cleaning is a breeze with the One-Touch Weber Kettle. One easy touch and our new lever opens or closes the vents. Move it back and forth and it sweeps the kettle clean of ashes! Clean and simple for 1982!
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The Sun Never Sets With Weber. Lunch at the campsite is tastier than ever on Weber's Smokey Joe®. After work, the Weber Gas Kettle provides the ultimate convenience. At night, Weber is still at work clearing yards of flying insects with The Web® electric bug killer.
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Santa's Little Helpers. Surprise your chef with the Sidekick™ . . . a handy cutting/serving board for all seasons. Stuff a stocking with The Essentials™, gift-boxed and ready to carve the turkey. The perfect gift for new Weber owners . . . the Starter Set.
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HOUSEWARES SHOW

PRODUCT MOVEMENT AUDIT

Most Producers

(Continued from page 47)

maintain their business is to constantly promote. There was heavy emphasis on housewares as a promotable category all last year, and this trend is expected to continue.

Nevertheless, there won't be an extensive array of close-out merchandise at the housewares show since manufacturers have not been building inventory. But, virtually all manufacturers will be offering discounters strong promotional programs. From these programs, retailers will be able to pick their spots and offer excellent prices and values to customers throughout the first and second quarters of the year.

A trend for discounters on the West Coast to watch is the development of increased interest in housewares by both the drug and supermarket chains. Both categories of retailers have found housewares to be strong in basic items, and they are out there finding good, promotable merchandise. They are giving increased space to the housewares selections.

New Strategy

More of the drug and supermarket chains have discovered that a way to achieve increased volume in housewares is to set up category merchandise presentations. This change means that customers won't see a hodgepodge of housewares but rather a clean gadget section, cookware section, glassware section, etc. In other words, the drug and supermarket chains are now departmentalizing housewares just as do the discount stores.

In terms of new housewares merchandise for 1982, Rubbermaid has introduced items of interest. It has developed new types of scrubbers which could be a factor in this area. The manufacturer has also come up with a new sink caddy, cutlery tray, step stool and a carry caddy. Backed by the kind of promotion Rubbermaid gives, these could become important items.

Rubbermaid also introduced two new colors—a dark almond and a seafoam green—which could replace slower-moving

(Continued on page 49)

HOUSEWARES

(Continued from page 47)

GADGETS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	407-H21 Swing-A-Way hnd cn opnr, harvest	11,043	3.77	41,632.11
2	407-C21 Swing-A-Way hnd cn opnr, chocolate	10,085	3.77	38,020.45
3	280 Foley coated jar lifter	9,971	3.58	35,696.18
4	106AC Range Kleen 8" reflector pan, GE	18,504	1.80	33,307.20
5	107-21 Swing-A-Way junior hand can opener	15,216	2.15	32,714.40
6	105AC Range Kleen 6" reflector pan, GE	22,332	1.35	30,148.20
7	1800 E-Z Foil electric burner bibs	13,785	2.06	28,397.10
8	2428-01 Lux timer single ding, white	3,913	6.97	27,273.61
9	1150HA Alum filter fry crisp filter	7,541	3.58	26,996.78
10	102AC Range Kleen 8" ref pan sur element	8,652	2.92	25,263.84
11	1014U O K wood util board 10"x14"x¾"	4,374	5.75	25,150.50
12	3100 American Family diet scale	4,652	5.38	25,027.76
13	55-91 Trend steamer basket, 4-qt	3,701	6.75	24,981.75

PLASTICS

1	332 Tucker 30-gal garbage can	5,438	11.69	63,570.22
2	156 Republic 1-qt uprite Freezette set	12,110	2.96	35,845.60
3	154 Republic 1-pt uprite Freezette set	10,962	2.96	32,447.52
4	155 Republic 1½-pt uprite Freezette set	8,521	2.96	25,222.16
5	3140 Tucker 30-oz tumbler w/dispenser	35,284	0.62	21,876.08
6	BS-21N Lustro covd 4-pc bowl set, lime	4,416	4.40	19,430.40
7	153 Freezette uprite set, ¾-pt	6,221	2.96	18,414.60
8	8817 Frigidaire ice cube tray	9,048	1.97	17,824.56
9	60061 Cadence Stemtrack, clear acrylic	2,616	5.85	15,303.60
10	109 Arrow 16-oz tumbler, Rainbow	23,610	0.62	14,638.20
11	5504 Republic 1-gal Freezette refrig bttle	5,389	2.69	14,496.41
12	187 Republic ½-gal Freezette decanter	5,965	2.42	14,435.30
13	2757 Eagle juice decanter	7,911	1.79	14,160.69

RUBBERMAID

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	2894-C 32-gal Roughneck can	3,158	23.35	73.739.30
2	2894-A 32-gal Roughneck can, avocado	2,433	23.35	56,810.55
3	2894-60C 32-gal Roughneck can, choc	1,940	23.35	45,299.00
4	2965-60C Rect laundry basket, choc	8,694	5.21	45,295.74
5	2979-C 30-gal Roughneck rect can	1,932	23.35	45,112.20
6	2865-B Ice cube tray, single pak	50,061	0.88	44,053.68
7	2309-AL 12" Slide-out drawer, almond	4,409	8.95	39,460.55
8	2311-AL 16" Slide-out drawer, almond	3,772	9.85	37,154.20
9	2965-60A Rect laundry basket, almond	6,672	5.21	34,761.12
10	2894-60A 32-gal Roughneck can, avocado	1,475	23.35	34,441.25
11	2845-C 15"-high Wastebasket, choc	7,986	4.31	34,419.66
12	2979-A 30-gal Roughneck rect can, avocado	1,470	23.35	34,324.50
13	2937-AL Twin turntable, almond	8,162	3.86	31,505.32

CORNING

1	F-330-S French white 3-pc set	1,787	26.38	47,141.06
2	A-500-7N Chef Master set wildflower	593	75.59	44,824.87
3	F-330 3-pc French white set	1,202	35.99	43,259.98
4	F-2 2½-qt French white Oval casser	2,456	17.54	43,078.24
5	A-500-7N Chef Master set wildflower	557	75.59	42,103.63
6	F-1 2½-qt round casserole/lid, white	2,137	17.54	37,482.98
7	F-3 10" pie/quiche, white	3,236	10.61	34,333.96
8	A-300-8 Starter set, Spice	749	44.99	33,697.51
9	A-500-8N Chef Master set, Spice	426	75.59	32,201.34
10	P-1420 Counter saver, lg white	1,398	22.49	31,441.02
11	A-300-7 Kitchen starter set, W F	623	44.99	28,028.77
12	P839-S Duette set, 4-pc	2,132	12.59	26,841.88

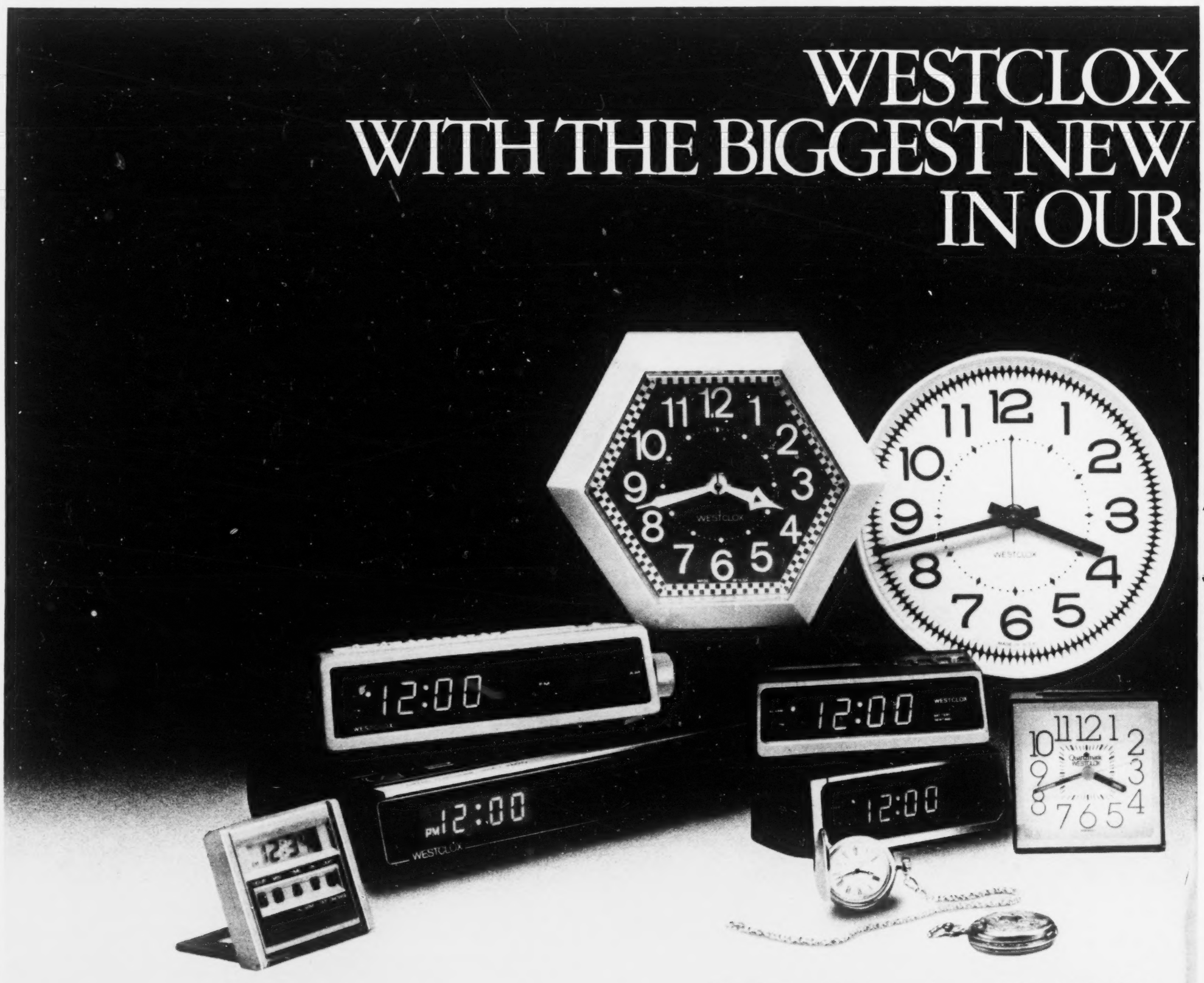
(Continued on page 49)

Nichols' Nov. Biz Goes Ahead 13%

NEW YORK—S. E. Nichols reported that November 1981 sales increased 13% over November 1980 sales.

The company also reported that in the third quarter ended Oct. 31, 1981, sales were $63,813,291, an increase of 10.4% over the $57,764,537 in the comparable period of 1980.

Sales for the nine months ended Oct. 31, 1981, were $169,900,606, an increase of 5.2% over the $161,481,747 reported for the nine months ended Oct. 31, 1980.



The clock market is growing, and Westclox leads the way—with 23 new clock, watch and radio moneymakers. New styles, new features, new products designed for today's cost-conscious consumer. And, new advertising and promotional programs for you.

Your customers know Westclox for dependable quality. And you know Westclox for dependable sales. This year Westclox offers you more product choices than ever before. So you can give your customers the products they want, at the prices they'll pay.

- New Clock Radios... Loaded with features, in handsome "low profile" cases.
- Headhugger II... A component radio headset that treats the listener to rich multiplex sound.
- Contemporary Digital Clocks... Standard, Vacuum Fluorescent and L.E.D. readouts give customers a choice of styling to fit any decor.

WESTCLOX® U.S. by Talley™ Industries

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HOUSEWARES SHOW

HOUSEWARES

(Continued from page 48)

CLEANING & CHEMICALS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	900 National Corn broom, economy	15,175	4.04	61,307.00
2	1185 Roll-o-Matic sponge mop	4,677	10.97	51,306.69
3	045 Quickie automatic sponge mop	3,835	6.74	25,847.90
4	4001 Kellogg Capt Hock angle broom	6,444	3.86	24,873.84
5	90200 Gem deluxe sponge mop, w/scrub	2,886	7.64	22,049.04
6	915 National corn broom, thrifty	3,858	5.57	21,489.06
7	19-645 Ballanoff copper dustpan	14,021	1.52	21,311.92
8	1022 National corn broom, 100% corn	2,580	7.82	20,175.60
9	1150 National corn broom janitor	2,268	8.72	19,776.96
10	90701 Gem plastic sponge mop	4,195	4.67	19,590.65
11	23200 Gem rayon wetmop w/scrub	4,492	4.22	18,956.24
12	00272 O-Cedar angler broom	2,832	6.65	18,832.80

PYREX

1	233 3-qt Oblong bake dish	12,415	5.39	66,916.85
2	234 4-qt Oblong bake dish	7,878	7.55	59,478.90
3	3520-S 2-liter Juice jug	11,234	4.49	50,440.66
4	2330 3-qt Bake dish w/basket	2,620	14.84	38,880.80
5	233-F 3-qt Utility dish Fireside	6,683	5.30	35,419.90
6	440-49S 4-pc Bowl w/lip set, Autumn Harvest	2,776	12.59	34,949.84
7	516 1-pt Liquid measure	13,083	2.60	34,015.80
8	440-49 4-pc Bowl w/lip set, Autumn Harvest	2,058	16.46	33,874.68
9	480-49 3-pc Casserole set, Autumn Harvest	1,935	17.36	33,591.60
10	6245-F 2-qt Casserole, Fireside Originals	2,063	16.01	33,028.63
11	2325-F 2-qt Oblong bake dish, Fireside Originals	2,019	16.01	32,324.19
12	232 2-qt Oblong bake dish	6,558	4.85	31,806.30

MICROWAVE COOKWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	62304 Nordic Micro-go-round	3,696	47.69	176,262.24
2	63204 Nordic Micro bacon'meat rack	10,716	8.09	82,323.84
3	MW-2 Corning micro browning grill	2,215	26.09	57,789.35
4	PMY69T1 Anchor Hocking microwave bacon rack	7,015	6.53	45,807.95
5	61104 No.dic Micro bundt	5,754	7.64	43,960.56
6	MW-360 Corning microwave set	821	44.99	36,936.79
7	P-190 Corning Grab-a-Snack set	2,610	11.69	30,510.90
8	MW-12 Corning 12" pizza crisper	1,139	25.19	28,691.41
9	P140-BPS Corning sidekick	9,678	2.92	28,259.76
10	P-14 Corning 14-oz cov'd casserole, white	3,483	7.82	27,237.06

Clover Parent's Net Dips in Qtr.

PHILADELPHIA—Strawbridge & Clothier saw 1981 third-quarter net earnings decline by 12.7% from $2,109,159 in the 1980 quarter to $1,841,411.

Company officials blamed pressured gross margins, rising operating expenses and heavy interest charges, although sales advanced 10.6% from $89,838,569 to $99,334,284.

For the 39 weeks, earnings were off 0.3%, from $3,522,477 to $3,511,325, as sales moved ahead 9.6%, from $252,249,997 to $276,494,262.

The Clover division results continued to reflect strong sales of the two new units in Warrington and Cheltenham.

LEADS THE WAY
PRODUCT INTRODUCTION
HISTORY.

- Quartz Clocks... Super quartz accuracy at super sell prices. Available in designer-styled wall and alarm clocks.
- Pocket Watches... Timely fashion accessories that make popular, practical gifts. Now available in quartz and 17 jewel.

Value, variety and exciting new products. All backed with strong advertising and merchandising support to help generate in-store traffic and high turnover. Contact your local Westclox Representative to find out how these products and programs can benefit you.

Westclox leads the way to good times.

Visit our booth #4362-4365,
at the National Housewares Exposition.

PMA®
PRODUCT MOVEMENT AUDIT

Most Producers

(Continued from page 48)

colors such as burnt orange.

An area of growth to watch, one which would not show up on the product Movement Audit due to the volume dominance of basic cookware lines, is copper cookware. Copperware is showing excellent growth with all retail segments. Discounters, the drug chains and supermarkets are picking up on copper items.

By far the fastest growing category in the entire housewares section is microwave cookware. The growth of this category will continue since many microwave ovens were sold during the past Christmas season. Also, the many microwave cooking schools and classes in California are teaching owners of the ovens how to get more use out of their appliance. This is creating a demand for a wide variety of microwave cookware.

The overwhelming No. 1 item in the microwave cookware category is the Nordic Micro-Go-Round. Constant promotion and advertising have, of course, contributed to the tremendous sales of the item. But, it also has received widespread acceptance from customers and sells both as a basic and gift item.

More Winners

Corning's microwave items also dominate on the listing with its browning grill and microwave set among the top sellers. Anchor Hocking's microwave bacon rack takes the No. 4 spot on the list and has been a consistent strong seller.

In the tabletop category, Corning's 20-piece Expressions sets continue to dominate on the West Coast where these higher-ticket sets have virtually replaced the Corelle 16-piece sets.

The dominant patterns in Expressions have been Strawberry and Wildflower. In Corelle, the top color is gold.

For the first time in a long while, a punch bowl set tops the list in the glassware category. The sales volume of this Jeanette 26-piece set is possibly an indication of the still growing entertaining-at-home phenomenon.

In third place, the Wheaton Sun Tea Jar sales continue to prove that it is not just a passing fad

In the beverageware area, crystal and solid colors appear to be growing at the expense of patterned and decorated glassware. A continuation of this trend is expected.

Sterling Sales Up

LITTLE ROCK, Ark.—Sterling Stores, parent company of Magic Mart, reported nine-month net sales increased 8.4% to $89,728,000, from $82,780,000 for the comparable period a year ago.

Net sales for the third quarter, which ended Oct. 31, 1981, were $30,066,000, up 4.5% from $28,774,000.

HOUSEWARES SHOW

PRODUCT MOVEMENT AUDIT

Buyers to Seek Shortest Lead Order Time

By Harold Rubin
President,
HalMar Inc., Distributors

A late but strong surge in housewares business prompted many discounters in the New England area to revise their planned budgets upward for the category. The late Christmas shopping left inventories relatively clean and with gaps in several areas of the retailers' housewares inventory. With a promotional first quarter, retailers were anxious to fill the gaps on the shelves prior to their January inventory period.

Although housewares budgets are being increased, and additional space is being given to several classifications, retailers will maintain a tight hold on their inventory investments due to the high cost of money. As a result they will be turning increasingly to the manufacturers and distributors who can accommodate them with the shortest lead time required for ordering merchandise.

Despite a nationwide depressed economy, the New England area hasn't been as hard hit as other sections of the country dependent on heavy manufacturing, the auto and steel industries. Discounters in New England will continue to add traded-up price points and

(Continued on page 53)

Woolworth Has Break-Even Qtr.

NEW YORK—F. W. Woolworth Co. reported net income for the third quarter ended Oct. 31 was break-even, declining from $25 million in the corresponding quarter of 1980. For the nine months, net income was $9 million, compared to $52 million for the same period in 1980.

Currency translation losses reduced the 1981 third-quarter profits by $4 million, while translation gains added $2 million in the quarter a year ago. Consolidated companies incurred a net loss of $3 million for the quarter, compared to income of $18 million in the 1980 period.

Sales of consolidated companies in the quarter were flat, declining 0.5%, to $1.76 billion from $1.77 billion in 1980. Domestic sales rose 4.5% in the quarter, while foreign sales declined 9.8%.

For the nine months, sales rose 1.9%, to $5.04 billion from $4.95 billlion. Domestic sales for the period rose 6.4% while foreign sales declined 7.1%.

HOUSEWARES

These housewares figures, for Jan. 1 through Nov. 11, 1981, supplied by HalMar Distributors, Holyoke, Mass., cover more than 500 stores, including 400 full-line discount stores from New England to the Carolinas. Average retail prices reflect typical price points for discount chains.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	TABLE TOP			
1	16-1 Corelle 16-pc set, green	18,541	31.49	583,856.09
2	16-6 Corelle 16-pc set, woodland	16,786	31.49	528,591.14
3	16-4 Corelle 16-pc set, gold	15,128	31.49	476,380.72
4	2020-12 Expressions, 20-pc set, Indian Summer	5,042	63.89	322,133.38
5	2020-7 Expressions, 20-pc set, Wildflower	4,759	63.89	304,052.51
6	2020-13 Expressions 20-pc set, Meadow	3,956	63.89	252,748.84
7	2020-16 Expressions, 20-pc set, Strawberry	3,850	63.89	245,976.50
8	16-5 Corelle 16-pc set, blue	7,279	31.49	229,215.71
9	3216-32 Dimension Iv 16-pc set, Cinnamon	5,924	38.69	229,199.56
10	115 Pyrex Hurricandle	17,946	8.09	145,183.14
11	16N Corelle 16-pc set, white	4,233	29.69	125,677.77
12	3216-31 Dimension Iv 16-pc set, Citrus	3,131	38.69	121,138.39
	GLASSWARE			
1	N3600 Anchor Hocking 24-pc set, Newport gold	4,377	12.59	55,106.43
2	3600 Anchor Hocking 40-pc set, Entertainers	2,021	26.09	52,727.89
3	Y4200 Anchor Hocking 24-pc set, Sherwood Brown	4,075	12.14	49,470.50
4	3600 Anchor Hocking 24-pc set, Newport Crystal	3,716	12.59	46,784.44
5	4200 Anchor Hocking 24-pc set, Sherwood Crystal	3,771	12.14	45,779.94
6	39 Anchor Hocking Snoopy Bank	21,034	1.70	35,757.80
7	2140 Libbey 12-oz bev, Oriental, 8-pc	2,903	9.89	28,710.67
8	159 Libbey 12½-oz bev, Berkshire, 8-pc	2,568	10.52	27,015.36
9	700 Anchor Hocking 11-pc Table Service, Precut	2,069	12.59	26,048.71
10	700 Anchor Hocking 7-pc Table Service, Precut	2,568	9.89	25,397.52
11	2000/121 Anchor Hocking 16-pc set, Bamboo	1,507	15.29	23,042.03

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	BAKEWARE			
1	MY33BP Ekco 13" Oblong ck pn, Baker's Secret	19,208	3.41	65,499.28
2	MY11BP Ekco 17¼" Cookie sht, Baker's Secret	13,820	3.86	53,345.20
3	M120BP Ekco 12-cup Muffin pan, Baker's Secret	11,214	4.13	46,313.82
4	MY10BP Ekco 15¼" Cookie sheet, Baker's Secret	12,356	3.41	42,133.96
5	MY26BP Ekco 14½" Roast pan, Baker's Secret	7,987	4.67	37,299.29
6	MY47BP Ekco 9¼" Loaf pan, Baker's Secret	10,212	3.05	31,146.60
7	R411 Ekco 17¼" Cookie sheet	12,004	2.42	29,049.68
8	M160BP Ekco Pizza pan, Baker's Secret	8,187	3.41	27,917.67
9	MY08BP Ekco 13¼" Cookie sht, Baker's Secret	9,404	2.69	25,296.76
10	RY33 Ekco 13" Roasting pan, Baker's Secret	10,809	2.06	22,266.54
11	M60BP Ekco 6-cup Muffin pan, Baker's Secret	6,221	3.41	21,213.61
	CORNING			
1	F330 3-pc French white set	3,420	38.69	132,319.80
2	P140 Sidekick	14,184	8.09	114,748.56
3	P839 Du-ette set, Cornflower	7,804	14.39	112,299.56
4	P14 Casser-ette	12,863	7.55	97,115.65
5	P185 Snack-It set	5,128	10.97	56,254.16
6	P100 Menu-ette set, Cornflower	2,704	19.79	53,512.16
7	F2 2½-qt Oval casserole French white	2,965	16.64	49,337.60
8	P150 Grab-it set	4,068	10.61	43,161.48
9	N350 Rangetopper 6-pc set, crnflwr	656	62.09	40,731.04
10	P839-8 Du-ette set, Spice	2,229	17.99	40,099.71
11	N350-8 Rangetopper 6-pc set, Spice	566	69.29	39,218.14

(Continued on page 53)

ANCO'S NEW COMPACT LINE:

3 SKU'S EQUAL 93% COVERAGE

Of course ANCO's new compact line of wiper blades and refills comes in colorful new individual window box packages with all the appropriate adapters inside.

But more importantly, ANCO's new compact line lets you choose the amount of market coverage you want.

That's why we call our new line the "short and sweet" line... the only line that can be as large or as small as your business demands and still be complete.

You can choose an inventory as small as 3 blade and 3 refill sizes for good market coverage. (Approximately 93% coverage of the entire wiper replacement market.)

Or you can choose from several assortments that can give you even greater market coverage.

You can even choose a compact line inventory exclusively for the import market.

No matter what kind of ANCO compact line inventory you choose, you get the support of a large and knowledgeable sales force. (To make sure you get what you want, when you want it.)

You also get the benefits of selling the only line in the industry backed by network television advertising and exciting consumer promotions.

To find out how ANCO's new compact line can cover all the bases you want, just call toll-free 1-800-835-2246 (in Kansas 1-800-362-2420). Ask for Ext. 54.

ANCO.

To see your way clear.

Gary, Indiana 46440

HOUSEWARES SHOW

HOUSEWARES

(Continued from page 52)

PYREX

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	233 3-qt Oblong bake dish	14,764	5.21	76,920.44
2	2320F 2-qt Bake dish w/basket, Fireside	7,632	8.99	68,611.68
3	2330 3-qt Bake dish w/basket	4,453	14.39	64,078.67
4	6230F 1½-qt Casserole w/basket, Fireside	6,283	8.09	50,829.47
5	209FA 9" Pie plate w/cover, Fireside	5,288	8.09	42,779.92
6	2220F 8" Cake dish w/basket, Fireside	5,221	8.09	42,237.89
7	6840 2-qt Casserole w/basket	2,871	14.39	41,313.69
8	2325F 2-qt Oblong bake dish, Fireside	2,670	15.47	41,304.69
9	6245F 2-qt Casserole, Fireside	2,636	15.47	40,778.92
10	508 1-cup Liquid measure	18,775	2.06	38,676.50
11	470-6 Bake, Serve & Store set, Woodland	2,659	14.21	37,784.39
12	516 1-pt Liquid measure	14,331	2.51	35,970.81

MICROWAVE COOKWARE

1	MW2 Corning microwave grill	2,358	24.74	58,336.92
2	MW-360 Corning microwave set	884	44.10	38,984.40
3	MWA10 Corning Cov Browning skillet	1,293	23.40	30,256.20
4	MR1 Corning Micro Rack	3,361	9.00	30,249.00
5	PM469/T1 Anchor Hocking bacon rack	3,741	6.83	25,551.03
6	M-10 Corning micro cooking w/rack	1,237	18.00	22,266.00
7	M1438 Anchor Hocking bacon rack	2,346	6.83	16,023.18
8	PM447 Anchor Hocking muffin tin	1,879	7.19	13,510.01
9	PM479 Anchor Hocking roast rack	1,920	6.83	13,113.60
10	PM444 Anchor Hocking cookie sheet	1,897	6.83	12,956.50
11	M1431 Anchor Hocking 2-qt utility, amber	2,082	6.20	12,908.40
12	PM481 Anchor Hocking versatility	1,696	6.83	11,583.68

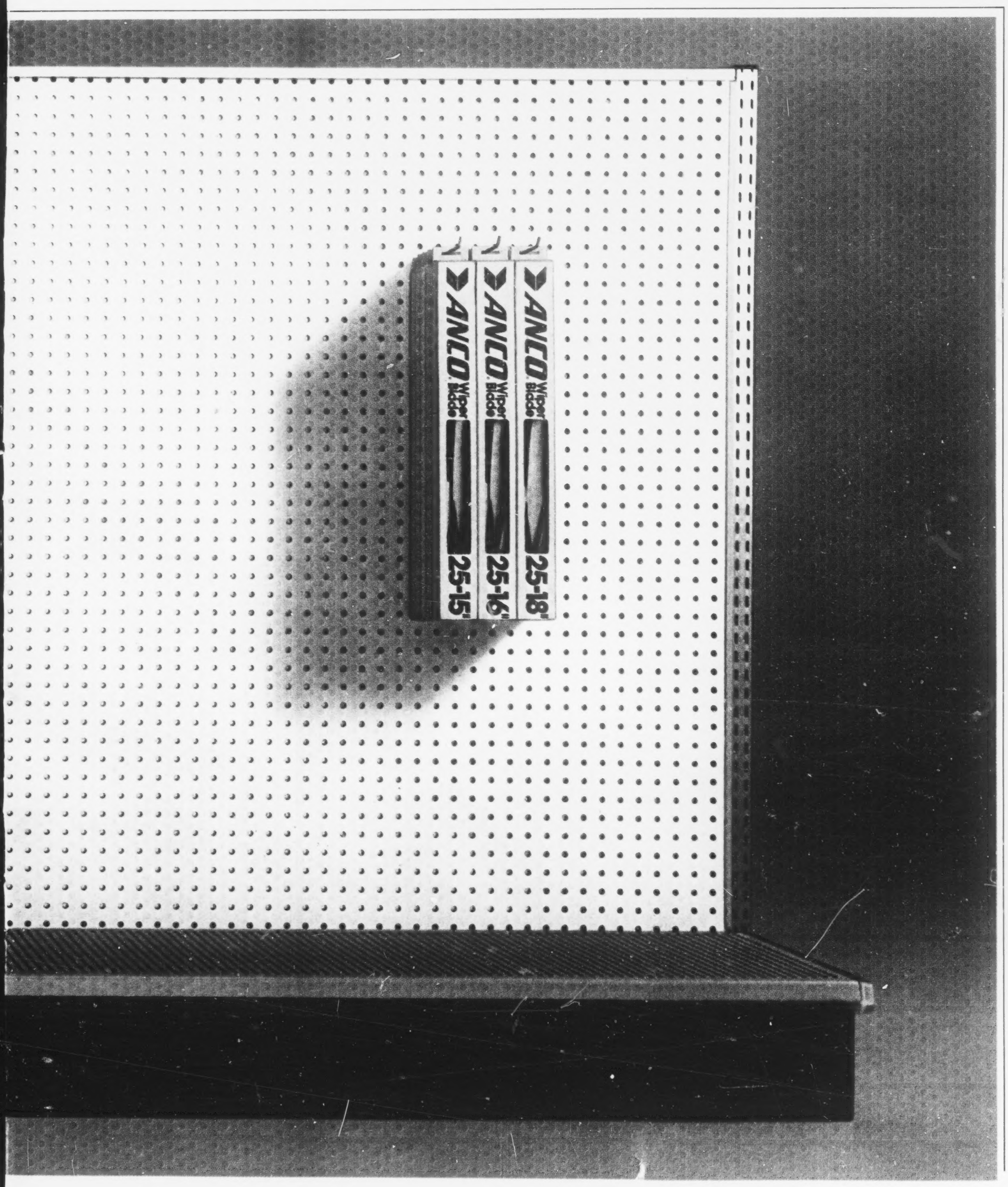
GADGETS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	2903-UC Rhodes timer, White	7,068	7.64	53,999.52
2	407-21 Swing-A-Way Portable Hnd can Opener	12,330	4.22	52,032.60
3	29035-UC Rhodes Timer gold	4,339	7.64	33,149.96
4	884K Ekco 3-Way can Opener	20,295	1.52	30,848.40
5	885 Ekco can Opener w/bottle Opener	32,332	0.89	28,775.48
6	1336 Ekco 2⅛" barrel rolling Pin	5,748	3.95	22,704.60
7	3K Ekco peeler	33,200	0.62	20,584.00
8	C876A Ekco can Opener, plastic handle	9,180	2.24	20,563.20
9	10189 Foley 2-qt food mill	1,958	9.89	19,364.62
10	9501 Cornware 3-pc wood spoon set	15,694	1.16	18,205.40

RUBBERMAID

1	2965 10¾"-high Rect lndry bskt, choc	9,167	5.21	47,760.07
2	2965 10¾"-high Rect lndry bskt, almnd	7,076	5.21	36,865.96
3	2864 24½"-high Fliptop wstbskt, choc	4,878	7.55	36,828.90
4	2965 10¾"-high Rect lndry bskt, gold	6,967	5.21	36,298.07
5	0450 Bath mat, white	11,878	2.96	35,158.88
6	2850 22"-high Covered wstbskt, choco	4,253	7.55	32,110.15
7	0450 Bath mat, chocolate	10,734	2.96	31,772.64
8	0450 Bath mat, blue	10,091	2.96	29,869.36
9	2951 11½"-dp Square dishpan, choco	10,324	2.87	29,629.88
10	6032 Delux dish drainer, choco	4,968	5.66	28,118.88
11	2965 10¾"-high Rect lndry bskt, yellow	5,287	5.21	27,545.27

(Continued on page 54)



PMA®

PRODUCT MOVEMENT AUDIT

Buyers to Seek

(Continued from page 52)

more fashion merchandise to their assortments.

Discounters are finding customers responding to the higher-priced cookware sets. The same holds true for glassware with retailers finding no price resistance to the higher-ticket, multipackaged sets. Corning's price reductions in the high-end Rangetoppers cookware line will also stimulate business in this group. And, discounters will continue to expand the closet and storage categories.

With selective focusing on higher-ticket merchandise, at the same time that discounters strengthen their price promotions on basic items, the chains can expect to see increased gross margin returns.

This Product Movement Audit for Jan. 1 through Nov. 11, 1981, shows the continuing domination of Corning's 16-piece Corelle sets with three such items taking the top ranking spots. The audit shows Corelle in green, woodland and gold ranking in that order. However, the demand for Corelle exceeded supply availability at times throughout the year; this had an impact on color rank.

The Corelle color line-up in terms of customer demand saw gold No. 1, followed by green, woodland and blue.

Indian Summer is the leading Expressions pattern, but Strawberry, which has been running in the No. 4 slot, is coming up as a stronger seller than in the past. In Dimension IV, the color expected to move up in rank is almond; and Corning's newest addition to this line, the color slate, should appeal to customers.

But, by far the biggest item in the tabletop category, one

(Continued on page 54)

Zayre Eyes Profit Jump

NEW YORK—Maurice Segall, president and ceo of Zayre Corp., said the firm expects a "meaningful" increase in the $18,000,000 earnings shown in 1980.

Speaking to The Retail Analysts here, Segall said that for the 39 weeks ended Oct. 31, 1981, the corporation posted a 15.8% increase in sales, from $1,063,356,000 to $1,231,719,000.

Concerning the Zayre discount chain, Segall targeted at least eight store openings for 1982: four in Boston and four in Atlanta. Segall said that in 1981 172 existing Zayres underwent a conversion program, with 24 more slated for 1982.

Segall also mentioned that over two-thirds of Zayre stores have had EOPS registers installed, and all now carry store administrative terminals. Segall said these have served to both tighten financial controls and speed communications.

HOUSEWARES SHOW

HOUSEWARES

(Continued from page 53)

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	CLEANING & CHEMICALS			
1	339 Johnson 14-oz Pledge, lemon	14,402	3.14	45,222.28
2	271 Texize 32-oz Fantastic refill	17,788	2.51	44,647.88
3	FC4101 3M 16-oz Scotch Guard	7,493	5.93	44,433.49
4	M-8 White Labs 160-oz x-14 mildew rmvr	10,632	3.14	33,384.48
5	327 Johnson 14-oz Wood Pledge	8,700	3.14	27,318.00
6	120 Drackett 26-oz Drano	7,212	3.50	25,242.00
7	A14 Scott 14-oz Liquid gold aerosol	5,602	4.31	24,144.62
8	334 Johnson 14-oz Pledge	7,610	3.14	23,895.40
9	084 Texize 32-oz Glass Plus w/pstl	10,480	2.15	22,532.00
10	156 Drackett 48-oz Vanish	8,951	2.51	22,467.01
11	293 Drackett 10-oz Endust	5,940	3.77	22,393.80
12	182 Johnson 27-oz Future	4,958	4.40	21,815.20
	BATH SHOP			
1	M100 Magnolia molded tlt st, white	6,031	9.44	56,932.64
2	N443 Selifx Portable shower spray	3,750	9.62	36,075.00
3	M3000A Magnolia padded tlt st, white	1,566	17.54	27,467.64
4	C441 Selfix shampoo spray	10,971	2.06	22,600.26
5	2110 Selifx twin hooks, 2-pk	16,818	1.34	22,536.12
6	M3000A Magnolia padded tlt st, black	1,147	17.54	20,118.38
7	C3811 Ekco 18" towel bar, chrome	8,360	2.24	18,726.40
8	M3000A Magnolia padded tlt st, brown	1,042	17.54	18,276.68
9	2208 Selfix toilet tissue holder	11,784	1.52	17,911.68
10	C3889 Ekco toilet tissue holder, chrome	7,376	2.15	15,858.40
11	C3817 Ekco 24" towel bar, chrome	5,832	2.60	15,163.20
12	M200 Magnolia hi-rise tlt st, white	1,005	14.39	14,461.95

Many discount chains report excellent customer response to higher-ticket cookware sets. This strong display in its Cleveland Heights, Ohio, unit indicates that Gold Circle is on that list. *(DSN photo)*

PMA®

PRODUCT MOVEMENT AUDIT

Buyers to Seek

(Continued from page 53)

that wasn't introduced until the fall, was the Pyrex Hurricandle. This item took off the day it hit the discounters' shelves and became the No. 1 housewares item for many discounters during the holiday selling period.

The glassware audit shows seven multipackaged sets. This trend should accelerate during 1982 as discounters beef up their inventories in this type of packaged glassware.

Libbey's all-purpose wine from the Mr. Pro line appears on the audit for the first time. But, this basic stemware group will become a year-around seller for many chains and should continue to show on the audit.

Keeping Pace

Continuing as solid best-selling items are those in the Pyrex Fireside line. Customers have been responding to this group at regular everyday and promotional price points. For this year, Pyrex has expanded its Fireside offerings which include a basket.

The Party Server items, new in the Pyrex line last fall, also showed up in the Product Movement Audit for the first time.

Microwave cookware, a new product category for the audit, is expected to show exceptional sales gains during 1982, particularly during the first half of the year. Customers who received ovens will be shopping for the necessary related cookware. High on their list will be the browning grills and skillets, the bacon rack and turntables.

The No. 1 ranked items in microwave cookware in terms of units sold last year were Corning's Micro Rack and the Anchor Hocking bacon rack. In total dollar sales, Corning's microwave grill was No. 1.

Basic laundry and waste baskets remained the leading items in the Rubbermaid audit. But, in unit sales the basic white bathmat continued to top all Rubbermaid offerings.

In Rubbermaid's bath line, the color dark blue is being discontinued and replaced with dark almond. The manufacturer has introduced, for the first time, hampers for the bath, plus several other items which will broaden its bath assortment.

White has been brought back to Rubbermaid's kitchen line, and it should begin appearing on the audit. Rubbermaid discontinued white after finding that store lighting tended to fade and discolor the white items. With its "new" white, Rubbermaid claims to have solved the color-fading problem.

Rose's Net Slides

HENDERSON, N.C.—Rose's Stores' third-quarter net earnings, compared to last year's, slid 7.3% to $1,266,719 on sales of $133,955,916.

Sales were 9.3% higher than last year's $122,612,914.

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• converts costly incandescent lamps to economical fluorescent

Suddenly, all other light bulbs are left in the dark! All across the country, people have been brightening their homes and lightening their electricity bills with energy-saving fluorescents. Now with the Tri-Mizer, and only with the Tri-Mizer, they can get a better, cooler, longer-lasting light at 3 different intensity levels . . . as much as a 50/60/100 watt incandescent bulb for only 10/15/25 watts of energy! And the advanced technology of Tri-Mizer is backed by a full 5-year warranty, the best in the industry!

Completely assembled with fluorescent bulb, the 1-piece Tri-Mizer screws simply and easily into any 3-way socket, making other switches unnecessary. Ideal for ceiling fixtures, long-chain (swag) lamps, portable table lamps, kitchens, closets, work areas and garages, the Tri-Mizer will last approximately 8 years with normal use.

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HOUSEWARES SHOW

PRODUCT MOVEMENT AUDIT

Buyers Tighten Electrics Plans In Iffy Economy

By Howard Bobroff
President,
Myron Nickman Distributors

Fourth-quarter business in traffic electrics was characterized by a continuation of the trends apparent throughout 1981, a tough year for the category.

Discounters increased their promotional efforts and reliance on manufacturers' rebate programs, which frequently combined to offer customers a selling price lower than the retailer's cost.

Despite these efforts, customer response was spotty and highly selective. In the face of economic pressures, particularly in the hard-hit Midwest, customers did not readily respond to the frequency of the discounters' promotions but stood their ground waiting for the lowest price points to appear on advertised items.

Other factors mitigated against the usual surge of fourth-quarter sales in small electrics. Department-store concern over sales for the quarter resulted in their taking sharp price cuts in selected basic small electrics. In many cases, the result was price points highly competitive with those being offered by the discount store chains.

With modest increases in dollar and unit sales in electrics, plus increasing pressures on the bottom line, discounters have digested the messages being sent by customers—and the retail competition—to plot strategy for 1982.

What is apparent is that the continuing uncertain economy and the lack of new electrics are pointing discounters in the direction of projecting as strong a price and value image as possible in the basic, functional electric items. To help relieve margin pressures, buyers will be looking for more help from manufacturers in the form of reduced cost prices, deals on items and strong rebate programs.

Discounters will be looking for low price points to offer in staple categories with a strong replacement market such as toasters, irons and drip coffeemakers.

Buyers will also be reviewing kitchen electrics and personal care appliances with the objective being to pare assortments on slow-turning items. The assortment review will include scrutiny of high-ticket items to weed out the high-ticket price points which reflect product features customers don't find necessary, judging by customer

(Continued on page 61)

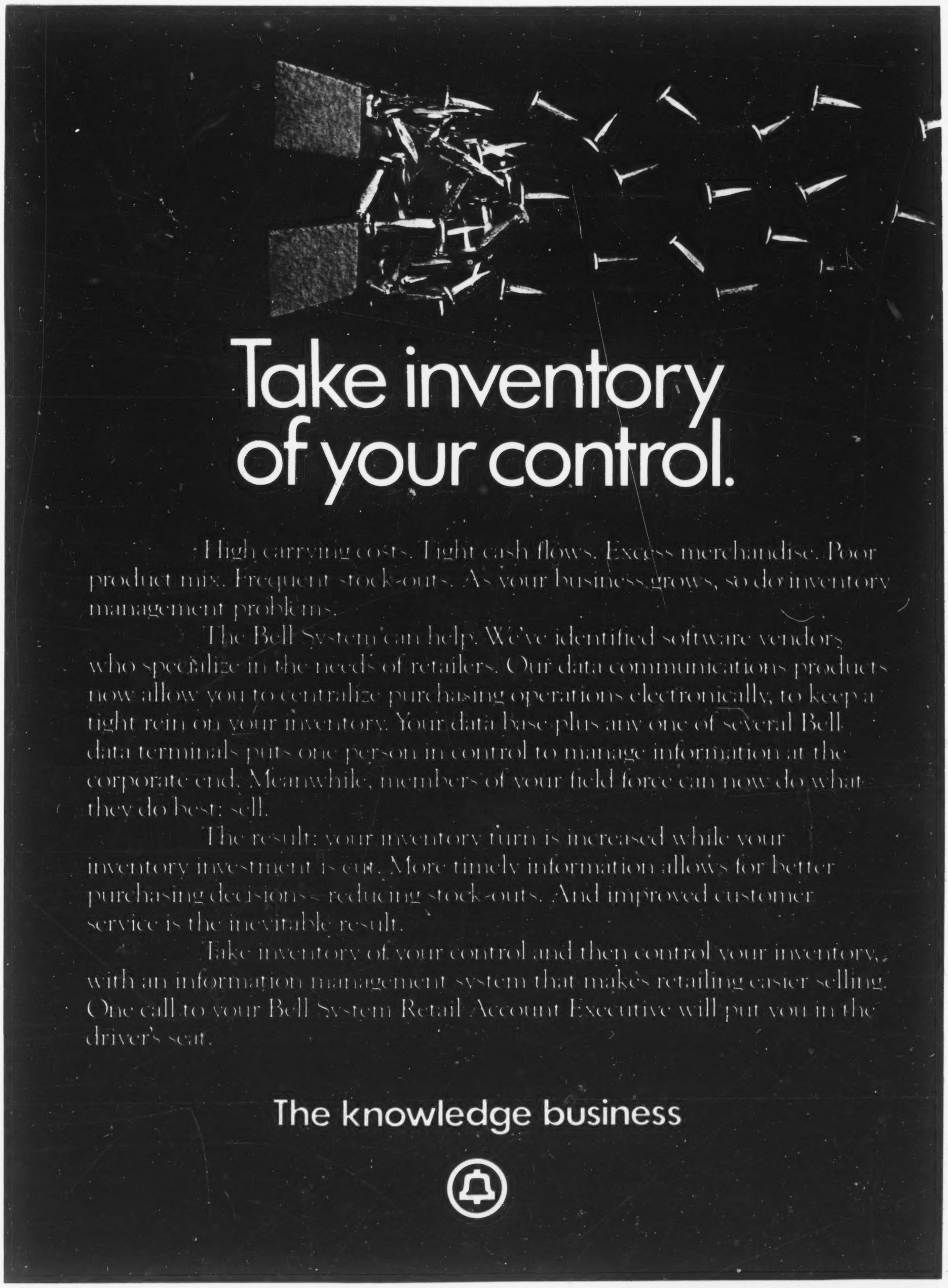
ELECTRIC HOUSEWARES

These electric housewares figures, for Jan. 1 through Nov. 7, supplied by Myron Nickman, a division of Cook United, Maple Heights, Ohio, cover 900 stores, including 125 discount stores in the Midwest. Average retail prices reflect typical price points for discount chains.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	STYLER/DRYERS			
1	Conair 1000W Pro Dryer	8,040	12.71	102,188.44
2	Gillette 1400W Supermax Pro	6,438	15.13	97,406.94
3	Gillette 1000W Supermax 2	4,913	19.78	97,179.14
4	Conair 1200W Pistol Power	6,419	11.39	73,112.41
5	Conair 1200W Pro Styler w/brush	2,073	21.60	44,776.80
6	Clairol 1200W Son Of A Gun	1,641	20.98	34,428.18
7	Georgie 1400W Turbo Dryer	2,378	12.50	29,725.00
8	Northern 1200W	2,741	10.65	29,191.65
9	Norelco 1200W Gotcha Gun	1,972	14.30	28,199.60
10	Norelco 1000W Gotcha Gun	2,434	11.50	27,991.00
11	Northern 1000W	1,807	13.51	24,412.57
12	Northern 1200W fldng mini dryer	2,088	10.38	21,673.44
13	Gillette 1200W Supermax	788	20.80	16,390.40
14	Conair 1250W Vagabond	1,103	14.29	15,761.87
15	Sassoon 1200W Prof md sz stylr	1,055	13.76	14,516.80
16	Clairol 1000W Dry guy	687	20.14	13,836.18
17	Northern 1200W Compact	1,531	8.98	13,748.36
18	Windmere 1250W Boss	1,081	12.14	13,123.34
19	Gillette 1500W Promax	659	17.11	11,275.49
20	Conair 1500W Pro w/attach	492	22.26	10,951.92

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	CURLING WANDS & BRUSHES			
1	Shetland curling brush	12,596	5.74	72,301.04
2	Shetland Two-to-Get Set	6,985	9.29	64,890.65
3	Gillette Body & Curl	4,448	12.90	57,379.20
4	Conair Curling brush	5,759	8.44	48,605.96
5	Georgie adjustable curling brush	6,290	7.70	48,433.00
6	Norelco Curl Q	3,170	10.48	33,221.60
7	Clairol soft curling brush	2,208	14.94	32,987.52
8	Conair Curls 'N Curls	6,264	4.93	30,881.52
9	Clairol Crazy Curl	2,353	12.14	28,565.42
10	Northern Pro Styling Brush	4,140	6.70	27,738.00
11	Northern Pro iron, chrome	5,207	5.03	26,191.21
12	Conair New Twist Combo	2,013	12.11	24,377.43
13	Clairol Crazy Brush	2,183	10.76	23,489.08
14	Gillette Clicker	1,203	18.43	22,171.29
15	Norelco Wave Maker	1,829	11.75	21,490.75
16	Dazey Beauty Curl	7,579	2.80	21,221.20
17	Sassoon Prof Curling Iron	1,924	7.76	14,930.24
18	Windmere Curling Brush	1,944	5.10	9,914.40
19	Windmere Nonstick C/Iron	1,801	5.11	9,203.11

(Continued on page 61)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HOUSEWARES SHOW

PRODUCT MOVEMENT AUDIT

Buyers Tighten

(Continued from page 59)

response to date.

The latest product movement audit reflected the fact that in virtually every category, the No. 1-ranked items represented an item at a low price point. And, these items also represented dollar sales significantly above the No. 2-ranked item in several categories.

Styler/dryers and curling wands and brushes continued to be the electric categories placing the greatest number of models on the movement audit. In three successive audits, two items from Shetland placed in the first- and second-ranking spots in the curling wand and brush category. The Shetland curling brush, with a price tag under $6, and the Two-to-Get-Set unit, offering the two-barrel feature at a price under $10, indicated the importance of hitting price in this category for tonnage sales. In fact, more than half the 24 items making the audit in this category were priced at under $10.

The Sassoon name showed again on the audit, placing one item in the styler/dryer category and two in the curling wand/brush category.

In kitchen electrics, drip coffeemakers continued to be the dominant appliance. Although the top-ranked model was a basic 10-cup item from Proctor Silex, and four models from Norelco made the audit, North American's Mr. Coffee was the leading manufacturer represented. Five of the 12 drip coffeemakers on the audit were

(Continued on page 62)

ELECTRIC HOUSEWARES

(Continued from page 59)

DRIP COFFEEMAKERS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Proctor-Silex 10-cup	24,064	20.04	482,242.56
2	Norelco 10-cup Dial-a-Brew	8,314	24.88	206,852.32
3	North Amer Mr Coffee 12-cp w/svr	4,600	39.44	181,424.00
4	Hamilton Beach 12-Cup	4,019	21.36	85,845.84
5	Hamilton Beach Mini-Drip	5,030	16.10	80,983.00
6	North Amer Mr Coffee 10-cp, alm	2,674	29.51	78,909.74
7	North Amer Mr Coffee 10-cp w/svr, alm	1,643	39.11	64,257.73
8	North Amer Mr Coffee 10-cup	2,017	25.73	51,897.41
9	Norelco 12-cup Dial-A-Brew II	605	35.30	21,356.50
10	Norelco Express 4-cup	860	21.29	18,309.40
11	North Amer Mr Coffee 12-cp w/tmr	162	51.10	8,278.20
12	Norelco 12-cup	140	38.21	5,349.40

TOASTERS & OVENS

1	Proctor-Silex 2-slice, promo	10,672	12.63	134,787.36
2	Toastmaster 2-slice, promo	8,351	13.59	113,490.09
3	Toastmaster Dixe Self Clean Oven	1,677	52.00	87,204.00
4	Toastmaster 4-slice	3,225	22.18	71,530.50
5	Proctor-Silex 4-slice, promo	3,192	19.76	63,073.92
6	Toastmaster 2-slice, automatic	2,911	16.71	48,642.81
7	Proctor-Silex 2-slice, Breadmates	3,460	13.38	46,294.80
8	Toastmaster oven/toaster slf cln	784	51.46	40,344.64
9	Toastmaster Broiler Flip Oven	1,322	26.33	34,808.26
10	Norelco Toast-R-Range	486	48.38	23,512.68
11	Proctor-Silex Toaster Oven	479	45.13	21,617.27
12	Toastmaster Oven Toaster	344	48.84	16,800.96
13	Norelco Cont Clean Tstr/Oven	219	55.34	12,119.46

SPECIALTY ELECTRICS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Wear-Ever Popcorn Pumper	8,460	25.83	218,521.80
2	Presto Popcorn Now	6,100	24.24	147,864.00
3	Presto Fry Daddy	2,294	27.63	63,383.22
4	Hamilton Beach Popcorn Pumper	2,153	26.54	57,140.62
5	Hamilton Beach Fry All	3,134	16.98	53,215.32
6	Shetland Corn Popper	2,190	16.71	36,594.90
7	Sunbeam Great American Ppcrn Mach II	1,223	26.19	32,030.37
8	West Bend Butter Matic ppcrn mkr	1,706	13.63	23,252.78
9	Hamilton Beach Butter-up popper	1,360	16.13	21,936.80
10	West Bend Stir Crazy corn popper	275	31.90	8,772.50
11	Waring Ice Cream Parlor	308	26.20	8,069.60
12	Toastmaster Mini Griddle	268	25.59	6,858.12
13	Oster Egg Cooker	236	24.18	5,706.48

IRONS

1	Proctor-Silex Steam Dry	7,851	13.34	104,732.34
2	Sunbeam steam, promotional	6,061	15.49	93,884.89
3	Sunbeam self-clean, promotional	1,651	24.04	39,690.04
4	Hamilton Beach Speed-O-Light II	1,480	17.24	25,515.20
5	Sunbeam Shot of Steam	756	31.39	23,730.84
6	Struhl Travel	3,227	6.13	19,781.51
7	Proctor-Silex Lady Ligh. spry stm	788	24.61	19,392.68
8	Proctor-Silex dry steam spray	1,200	15.94	19,128.00
9	Proctor-Silex light steam dry	1,192	15.45	18,416.40

(Continued on page 62)

K mart Settles Claims About Popper Imports

WASHINGTON— K mart has settled claims made by Wear-Ever Aluminum, ending an investigation by the International Trade Commission (ITC).

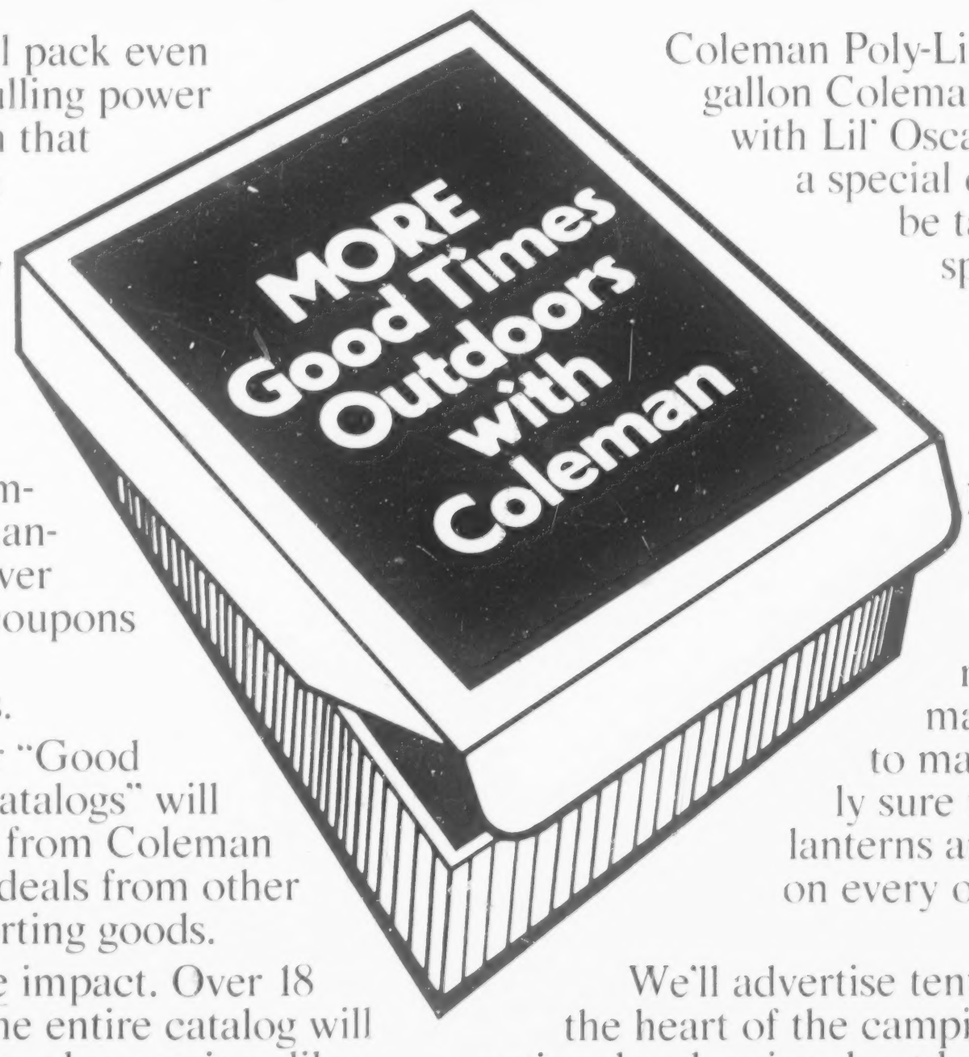
The commission was investigating whether the discounter and some half-a-dozen other firms had imported and sold hot-air corn poppers in violation of United States trade patents, injuring American manufacturers.

Under the agreement, K mart, General Electric and Stop & Shop stated that they were not importing the disputed corn poppers at the present time, and also agreed not to import them in the future.

General Electric noted in the agreement with Wear-Ever that in the past it imported the corn poppers—mainly from Japan and Hong Kong—and sold them to K mart and Stop & Shop, who admitted they purchased them.

The settlement agreement was not an admission by any of the firms of unlawful actions in restraint of trade or of unfair practices.

This box from Coleman holds over $20,000 worth of rebates and good deals.



For Spring '82 we'll pack even more consumer pulling power into the promotion that produced so much action this past season. That's why we're calling it "MORE Good Times Outdoors with Coleman."

Example: each compact display-merchandiser will deliver over $20,000 in rebate coupons and good deals for your customers.

That's because our "Good Times Outdoors Catalogs" will have more rebates from Coleman ...and more good deals from other great names in sporting goods.

We'll hit with more impact. Over 18 million copies of the entire catalog will be bound into national magazines like: WOMAN'S DAY, FIELD & STREAM, INSIDE SPORTS, OUTDOOR LIFE, POPULAR MECHANICS, POPULAR SCIENCE, BASSMASTER, SPORTS AFIELD, SOUTHERN LIVING.

And it's just the start of the best times you've ever had for selling Coleman products.

More emphasis on Coleman® coolers too. We'll be repeating the successful "Funshine Special" offer: special packages containing a 12-gallon Coleman Poly-Lite® or a 13 ½-gallon Coleman Snow-Lite®, with Lil' Oscar® inside. And a special campaign will be targeted at the sportsmen who not only buy but influence other consumers too.

More support in special markets. We'll be running a dramatic campaign to make ab-so-lutely sure that Coleman lanterns and stoves stay on every outdoorsman's "want" list.

We'll advertise tents and bags to the heart of the camping market, in national and regional outdoor magazines.

We'll continue the kind of ads that have made Coleman Canoes the world's largest seller...and that made the Scanoe™ a big success in its first season.

We'll be promoting heaters in targeted national and regional outdoor publications.

More to come. Get the details from the man who works for us full time to help you on everything from buying opportunities to retail tie-in ideas. Call your Coleman Man to make the most of it all.

Coleman

The Coleman Company, Inc. • Wichita, Kansas

HOUSEWARES SHOW

ELECTRIC HOUSEWARES

(Continued from page 61)

SLOW COOKERS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Betty G 5½-qt cooker/fryer	7,499	17.94	134,532.06
2	Rival 3½-qt almond	8,922	13.86	123,658.92
3	Rival 3½-qt removable liner	4,771	22.99	109,685.29
4	Rival 5-qt removable liner, bg	3,033	28.31	85,864.23
5	Rival 5-qt removable liner, avoc	645	22.58	14,564.10
6	West Bend 4-qt w/SilverStone lnr, alm	474	21.53	10,205.22
7	Rival 1-qt Crockette	112	12.35	1,383.20

FOOD PREPARATION

1	Oster Kitchen Center, almond	1,318	153.16	201,864.88
2	Hamilton Beach Cuisine Machine	3,222	48.21	155,332.62
3	Hamilton Beach Food Processor, alm	1,111	49.08	54,527.88
4	Sunbeam, w/dough hook, almond	443	80.70	35,750.10
5	Waring 12-speed Stand Mixer	1,365	23.74	32,405.10
6	Sunbeam, w/dough hook, white	249	83.16	20,706.84
7	Sunbeam Le Chef	181	107.58	19,471.98
8	Hamilton Beach 9-sp w/dough hook	376	51.31	19,292.56
9	Waring Stand Mixer	821	22.61	18,562.81
10	Sunbeam Stand Mixer	273	39.24	10,712.52

HAND MIXERS

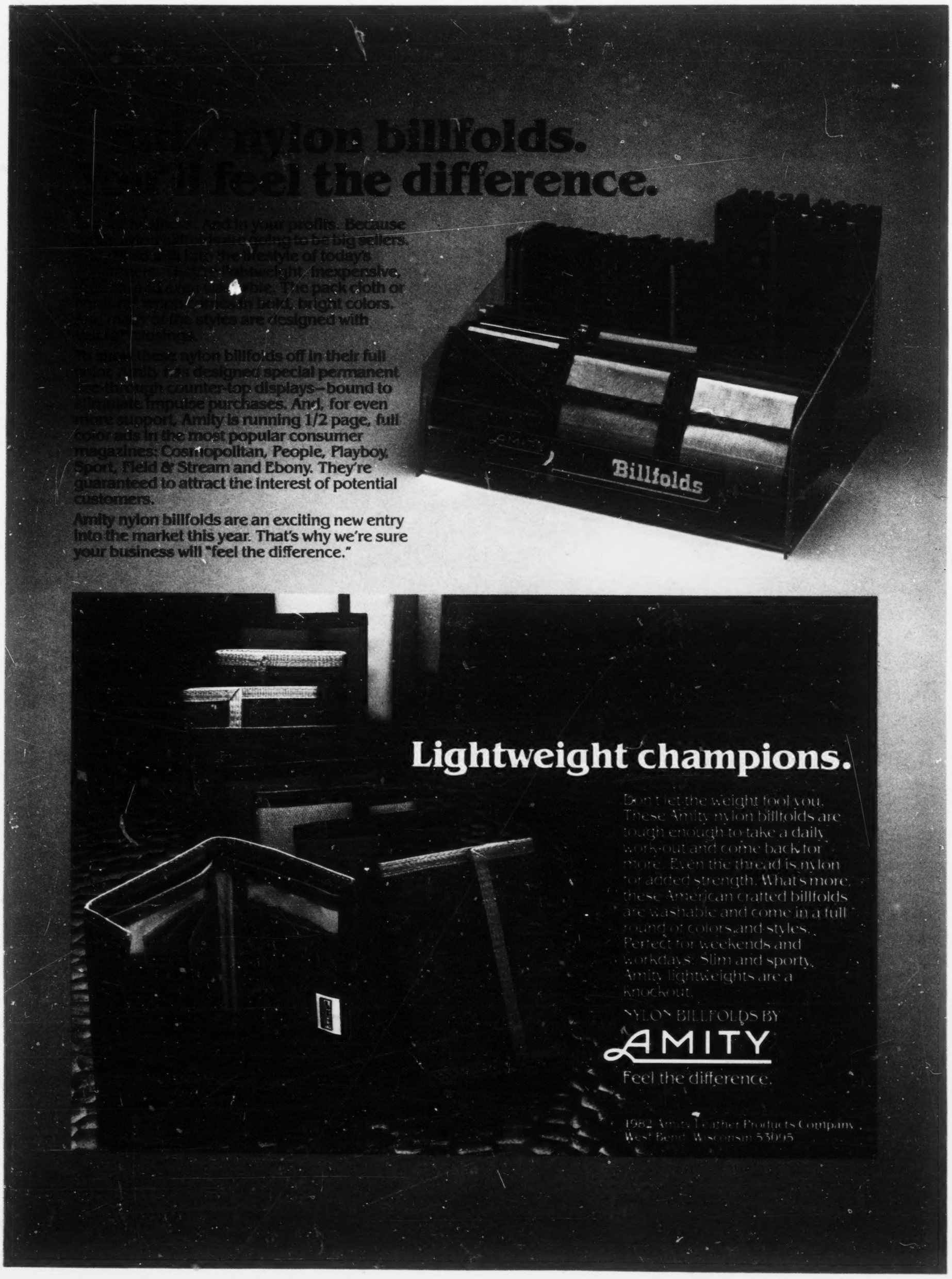
$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Hamilton Beach 3-speed, gold	4,288	12.44	53,342.72
2	Sunbeam, 5-speed Burst of Power, alm	2,167	22.79	49,385.93
3	Waring 12-speed, almond	2,654	15.41	40,898.14
4	Hamilton Beach 3-speed, alm, det crd	2,743	14.48	39,718.64
5	Hamilton Beach, 3-speed, det crd	2,488	14.40	35,827.20

BLENDERS

1	Hamilton Beach 7-speed, almond	5,359	20.28	108,680.52
2	Hamilton Beach 14-speed, Blndr Pls, gld	2,052	29.51	60,554.52
3	Waring 2-speed blender	2,857	17.74	50,683.18
4	Oster 10-speed, almond	1,558	26.95	41,988.10
5	Waring, 8-speed, Titan	1,848	20.15	37,237.20
6	Waring 14-speed, almond	785	23.63	18,549.55

CAN OPENERS

1	Rival, almond	7,317	11.43	83,633.31
2	Rival w/knife sharp, almond	4,391	13.09	57,478.19
3	Rival Slimline w/knife sharp, alm	3,633	15.18	55,148.94
4	Rival w/knife sharp, gold	2,614	12.95	33,851.30
5	Rival, gold	2,331	11.38	26,526.78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Don't let the weight fool you. These Amity nylon billfolds are tough enough to take a daily workout and come back for more. Even the thread is nylon for added strength. What's more, these American crafted billfolds are washable and come in a full round of colors and styles. Perfect for weekends and workdays. Slim and sporty. Amity lightweights are a knockout.
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PMA® PRODUCT MOVEMENT AUDIT

Buyers Tighten

(Continued from page 61)

Mr. Coffee models.

Despite a bearish outlook on the electric category as a whole, there are bright spots emerging. The sluggish economy has already begun to stimulate sales in those kitchen electrics which can help customers hold down their food bills, and this trend should continue. Sales in slow cookers have been rising, and a pick-up in pressure cookers can be expected as more customers turn to canning as an economy measure.

Once again the leading item in specialty electrics was the hot-air popcorn popper with eight products making the audit. The leading model in this category was the Wear-Ever Popcorn Pumper with the Presto Popcorn Now taking the No. 2 spot.

In the food preparation category, only two food processors made the audit, reflecting the diminishing volume of this item. Although the rush of business in food processors is over, the item will nevertheless remain a staple in kitchen electric assortments.

A category that was strong throughout 1981, but was not a part of the Product Movement Audit, was air cleaners. This item should continue to move well, at least through the first half of 1982, but it will be hit with rapid price erosion. During the fourth quarter, price points as low as $9.99 were already appearing on discounters' shelves.

Jamesway Gives Arts Group Space

SECAUCUS, N.J.— Jamesway has donated office space to the Meadowlands Arts Council, a New Jersey organization dedicated to building a cultural center for the performing and visual arts in the state's Hackensack Meadowlands District.

As the Council sees it, the cultural center would be home to symphony, opera and ballet companies, and would be comparable to New York City's Lincoln Center.

T.G. & Y. Parent Has Sales Boost

DES PLAINES, Ill.— Household Merchandising, parent company of T.G. & Y., reported net sales for the month of November of $415,165,000, a 9.2% increase over $380,165,000 in November 1980.

Sales for the first 11 months were $4,302,744000, a 13.3% increase over last year's $3,798,381,000. Household Merchandising operates 1,236 retail stores and 3,339 franchise operations.

HOUSEWARES SHOW

Discounters Still Hold Biggest Share of Total Cookware Market

WILMINGTON, Del.—Discount stores continue to hold the major share of the total cookware market, according to the latest figures released by DuPont's Marketing Research Consumer Survey.

For the first half of 1981 discounters dominated the market with a 30% share, matching market share performance for 1980. The same period showed no change in department stores' share, which remained at 16%.

Gaining in market share were food stores with 10% compared to 9% in 1980. Sears/Ward/Penney accounted for 9% against 8% in 1980. Catalog showrooms scored the biggest gain in share, to 9% against 7% in 1980.

For the first six months of 1981, two retail segments declined in market share. Home centers/hardware stores lost one percentage point and dropped to 6%. Drug/variety stores also lost a point and dropped to 5%.

While the first-half figures showed no major changes in market share, a retrospective look at market-share movement tells a different story.

For instance, go back to 1977. In that year discounters held a 28% share. Since then, discounters have picked up two percentage points. Since 1977, department stores have also increased share by two percentage points.

But, the retail segment with the largest market share gain over the past five years has been the catalog showrooms. With only a 5% share in 1977, the showrooms moved up to a 9% share for the first six months of 1981.

Interestingly, in 1977 there was not much of a difference in market shares of the department stores, 14% and the big three, Sears, Penney and Ward at 11%. But that three point spread has grown.

Today, that spread is seven percentage points following market share gains by the department stores and a relatively steady share slide by the big three.

Since 1977, the food stores' share of the cookware market has declined despite their efforts to capture more business in higher margin nonfood categories.

The Du Pont survey, based on a panel poll of 10,000 consumers, also reported the following purchases of types of cookware by retail segment for the first half of 1981:

- TOP-OF-RANGE: Discounters, 24%; department stores, 20%; Sears/Ward/Penney, 9%; food stores, 11%; drug/variety stores, 5%; catalog showrooms, 8%; home centers/hardware, 6%; all others, 16%. Aluminum accounted for 72% of the top-of-range cookware market; stainless steel, 16%; cast iron, 5%; all other, 7%.
- BAKEWARE: Discounters, 32%; department stores, 13%; Sears/Ward/Penney, 8%; food stores, 15% drug/variety stores, 6%; catalog showrooms, 3%; home centers/hardware, 6%; all others, 18%.
- PORTABLE ELECTRICS: Discounters, 35%; department stores, 14%; Sears/Ward/Penney, 9%; food stores, 2%; drug/variety stores, 4%; catalog showrooms, 17%; home centers/hardware, 6%; all others, 14%.

These market share breakdowns by type of cookware indicate that discount stores maintain a strong lead in bakeware and portable electrics. But, in top-of-range cookware, discounters are encountering strong competition from department stores which have been increasingly aggressive in their top-of-range cookware.

RETAIL DISTRIBUTION
TRADE CLASS SHARE (ALL COOKWARE)

Trade Class	1977	1978	1979	1980	1st Half 1981
Discounters	28%	28%	31%	30%	30%
Department Stores	14	14	14	16	16
Food Stores	11	12	9	9	10
Sears/Ward/Penney	11	10	10	8	9
Catalog Showrooms	5	5	8	7	9
Home Centers/Hardware	4	4	7	7	6
Drug/Variety Stores	11	9	5	6	5
All Others	16	18	16	17	16

Source: Du Pont Marketing Research

Matthews: Record Marketing Should Be More Creative

PHOENIX—Norman Matthews, chairman and ceo of Gold Circle, put forth a 10-point program for renewed cooperation between mass merchants and rack jobbers, in a speech before the National Association of Record Merchants (NARM).

Matthews said while the industry experiences approximately $1.5 billion in record sales, with 400 new stores opening record departments in 1981, there is still a lack of "creative marketing" needed to generate sales.

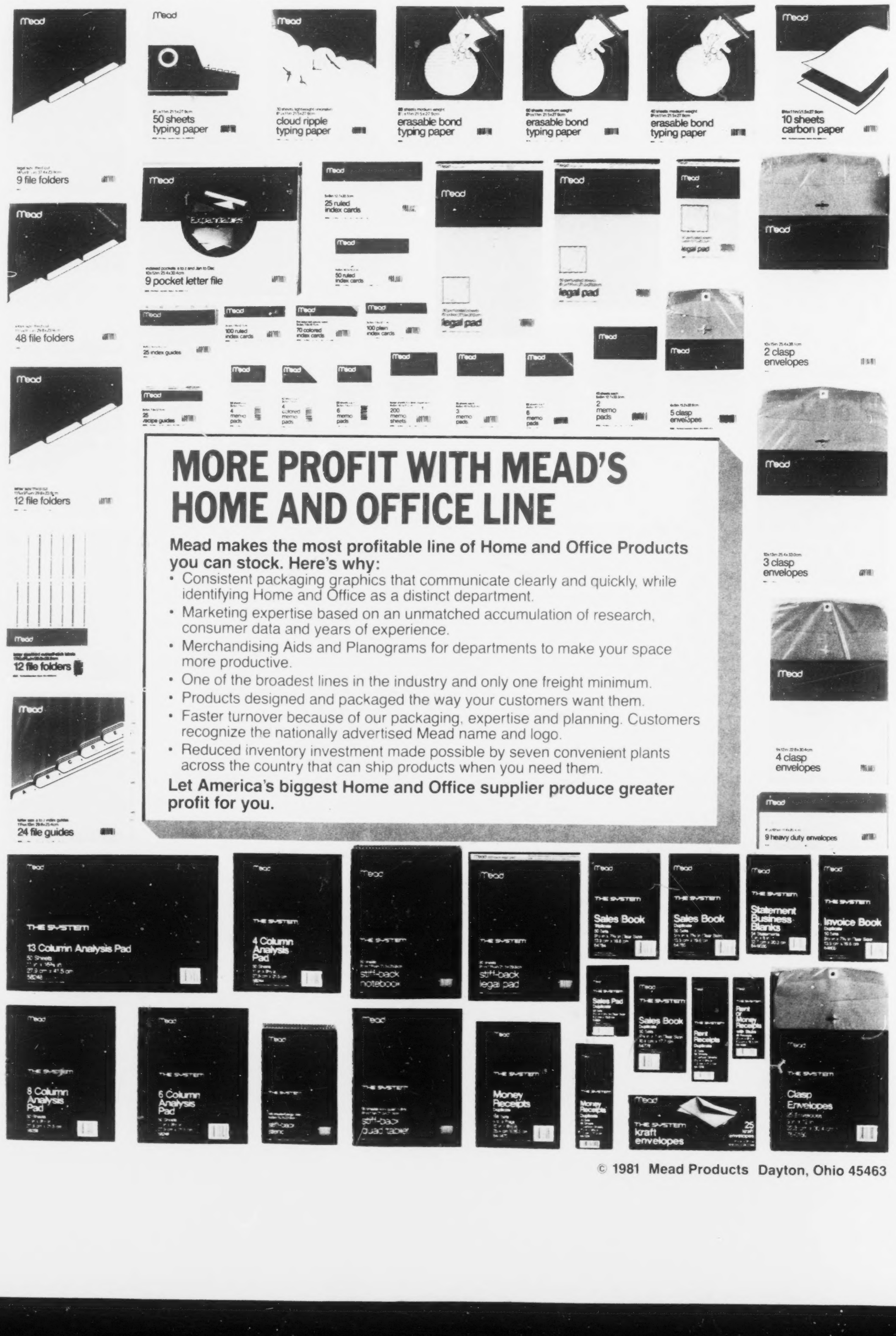
Matthews' plan begins with the fundamentals: the position of the record department within the store, in-stock levels and the ability to track sales. Gold Circle recently remodeled three of its record departments and experienced a 50% increase in sales for the first full year. Matthews said the figure would be higher if in-stock levels of 90% can be achieved, such as those found in drug or housewares departments. Matthews placed the present levels for records at approximately 50% to 60%.

Promotions, according to Matthews, provide the greatest area for growth opportunity to generate enthusiasm among record buyers. "Creative display and professional signing . . . provide excellent margin opportunities," said Matthews. He told NARM that mass merchants have been ignored in this area, but the traffic does exist and provides "a very fertile area for development."

Matthews said the record business has been slow in taking advantage of retail promotions, such as manufacturers' rebates or "gift with purchase." Cross-selling, such as a recent back-to-school "Rhythm and Blues" Gold Circle promotion, which offered a free album with the purchase of two pairs of jeans, was also mentioned as a strong sales technique.

Matthews suggested making the week between Christmas and New Year's "National Music Week," tying together both in-store and national promotions.

54 items pictured from a line of over 300 items.



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- Merchandising Aids and Planograms for departments to make your space more productive.
- One of the broadest lines in the industry and only one freight minimum.
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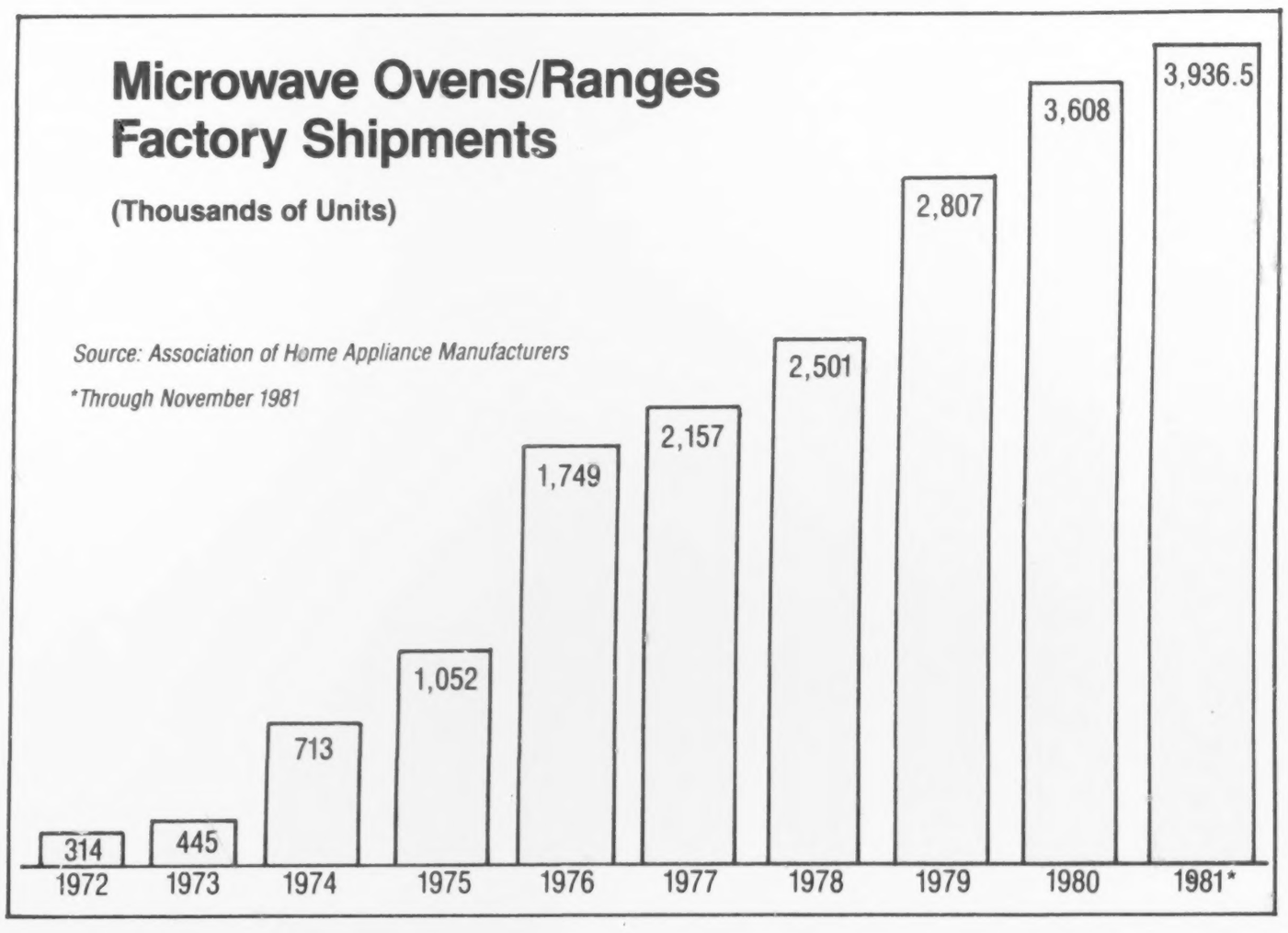
HOUSEWARES SHOW

Microwave Ovens Have 'Passed Point of No Return'



Microwave ovens are not the hottest products in the discount appliance market. On the other hand, their past sales performance and projected growth rate are factors that discounters can hardly afford to ignore.

In the past five years, microwave oven sales have more than doubled. Factory shipments in 1976 stood at 1.7 million units, but shipments through the first 11 months of 1981 were already at the 3.9 million unit mark.

Manufacturers consider another figure as important. With total microwave oven sales above 20 million units since their introduction, this translates into a better than 20% market saturation among the 81.9 million United States households. In other words, just about one of every five households now owns a microwave oven.

What this means to manufacturers is that with about 20% saturation, microwave ovens have "passed the point of no return." The appliance has proven itself as a functional item and insured its eventual appeal to many of those households still without the appliance.

In fact, manufacturers are not shy about predicting anywhere from 45% to 50% market saturation by 1985. If these predictions are correct, it means that microwave oven sales between now and 1985 will be at least another 20 million units.

Which retailers are going to get this business? So far, discounters' record is far from impressive. Litton's market research indicated that discounters have only 10% of the market. The item was originally introduced in appliance stores, which still have the largest market share at 33%.

Another large chunk of the market is held by Sears/Penney/Ward with 23%; department stores hold 8%; catalog showrooms, 7%; microwave oven specialists, 5%; furniture stores, 4%, and all other, 10%.

Is there any reason that during the next five years these market share figures can't be rearranged to give discounters a larger slice of the business? Manufacturers concur that there is not, that microwave ovens are becoming ripe as a mass market item.

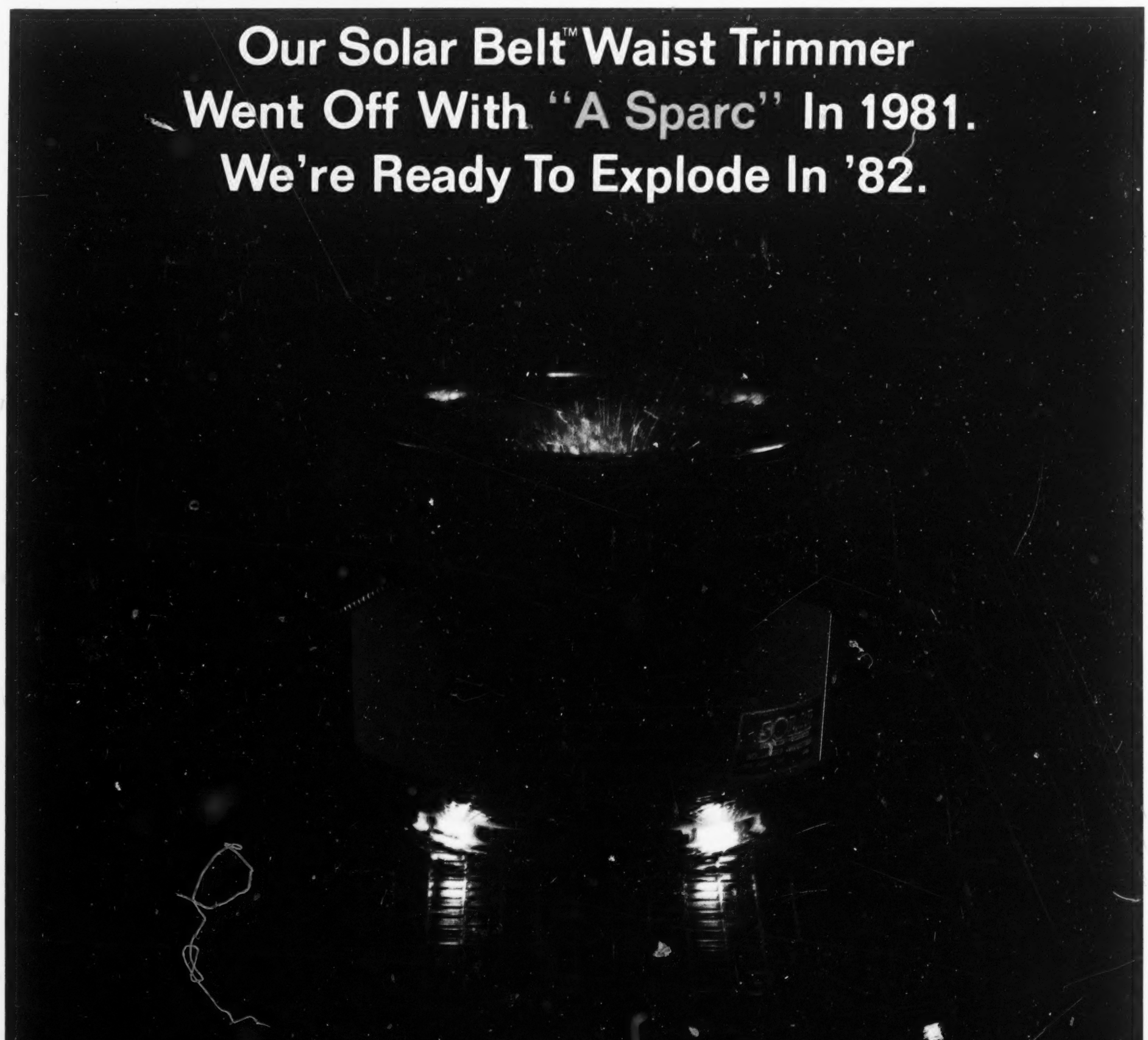
With more and more potential customers familiar with the capabilities of the appliance, the need for service and demonstrations (at the point of sale) is diminishing. With sales accelerating, longer production runs will bring prices down at the manufacturer level, giving the mass merchant easier-to-live-with price points.

These price reductions will also ultimately apply to the chip-based electronically controlled units. They will follow a pattern similar to other merchandise categories such as stereo equipment in which electronic controls quickly became the rule, rather than the exception, and with no price premium.

In addition, manufacturers will be promoting their over-the-range microwave ovens more aggressively. Emphasizing these space-saving models could overcome many a customer's reason for not buying a microwave oven.

But, suppose the manufacturers' crystal ball is a little bit fuzzy, and another 20 million units sold by 1985 turns out to be overly optimistic? What then? Aggressive retailers ought to find the idea of even another 15 million units sounds like fighting words.

Our Solar Belt™ Waist Trimmer
Went Off With "A Sparc" In 1981.
We're Ready To Explode In '82.



Bollinger Industries wishes to thank those general merchandise managers from across the nation that nominated and selected Bollinger to win the 1981 Sparc Award for Best New Supplier/Sporting Goods.

We would also like to express our gratitude and sincere appreciation for the outstanding efforts made all year long by our independent sales representatives and distributors.

And 1982? If you thought the Solar Belt™ sparked sales last year, wait until you see our new product line. You'll see why we're now *more* than the largest manufacturer of insulated waist trimmers in the world. And why we're going to explode in 1982!

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Lamston's Adelman Named at AGMC

WASHINGTON—Burton Adelman, president and chairman of M. H. Lamston, New York, has been elected vice chairman of the Association of General Merchandise Chains (AGMC).

Lamston, a 32-unit chain with stores in New York and New Jersey, posted sales of $38.2 million for fiscal 1980. Adelman will serve as AGMC vice chairman until new officers are elected at the association's meeting in February.

Adelman takes over for Dave Grundfest Jr., president and ceo of Sterling Stores/Magic Mart, Little Rock, Ark., who resigned to concentrate on company matters.

HARDWARE

So-so Economy Spurs Low-end Tool Import Biz

With many discounters seeking to flesh out their hand tool selection with an increased offering of low-end imported lines, a market has opened for distributors to carry specific tool import lines in full.

Expanding business with such retail chains as Gold Circle and Cook United enabled Stem Distributing, Maple Heights, Ohio, to begin stocking a line of Royal tools 13 months ago. The distributor started the program as a result of increasing store-level demand for lower ticket hand tools which were specifically for the weekend handyman.

"We have four basic assorted lines of Royal to give to our customers. Three of the four differ slightly in style, but not in price or quality, and the fourth is a step-up model which we sell to those customers who want a large import selection to complement their domestic mix," said Stem's Royal buyer Phil Comeriato.

Despite not having previous-year figures available for comparison, the buyer termed his business as "really hopping, and because not every customer has had the line for an entire year, movement will accelerate in 1982.

"I work the program as tightly as I can by buying smaller quantities of a single item. I should reach $250,000 in total Royal sales by the end of 1981 based on turning my inventory 11 times a year," said Comeriato, who hoped to improve his business to the tune of $500,000 in total 1982 sales on the strength of 15 annual turns.

The buyer admitted he was basing his projections on the fact that in-store promotions will become a key factor contributing to the doubling of total sales within only a one-year period.

"If our customers run frequent promotions of the 'any tool on this table for 79¢' type, there is no reason why this business shouldn't reach the $1 million a year mark in the near future," said an optimistic Comeriato, who added that many of the stores he services are relying on endcap displays that have proven to be as effective a merchandising technique as a tool shed in a main traffic aisle.

On this first survey of top dollar movers in the Royal category, basic items and tool sets have appeared near and at the top of the list. A six-piece, rubber-grip screwdriver set was the total dollar movement leader with sales of $2,743.80, while a single item, a 16-oz. tubular hammer ranked second with sales of $2,259.60, representing 840 units moved.

The low-end image of imported tools is easily supported in the chart; not one of the top 35 dollar movers has an average retail price above $2.69. "These items will always have somebody buying them because of the low price points. If a customer buys a $1.69 pair of pliers and it breaks within a year he'll just buy another one when the

(Continued on page 88)

PMA PRODUCT MOVEMENT AUDIT

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	HOME IMPROVEMENT			
1	100 Bede Dryer Vent Heat Saver	1,764	5.08	8,961.12
2	10 x 25 Poly Sheeting 4 mil clear	1,308	5.12	6,696.96
3	6 x 50 Poly Sheeting 4 mil clear	852	7.05	6,006.60
4	302 Keller Two Step Alum Ladder	366	16.06	5,877.96
5	D-10 Manco Duct Tape 2" x 10 yd	3,348	1.18	3,950.64
6	24A T Temp Silicone Alum Pusher	294	11.99	3,524.06
7	30 x 60 Plaskolite 0.100 clear plastic	200	14.53	2,906.00
8	3 x 50 Poly Sheeting 4 mil clear	792	3.59	2,843.28
9	050/17000 Clear Vinyl Runner 27 x 125	26	108.62	2,824.12
10	220 Hoyne Clear Mirror Tile	408	6.83	2,786.64
11	28 x 32 Plaskolite 0.100 clear plstc	350	7.29	2,551.50
12	310 Blk Natco Rub Matting 36 x 105	9	250.57	2,255.13
13	CC-1 Manco Clear Tite	768	2.88	2,211.84
14	6 True Temper Ice Scraper	360	6.13	2,206.80
15	453 Bede Water Heater Blanket R-6	182	11.83	2,153.06
16	53VP Deflecto Deflector 15-25"	552	3.90	2,152.80
17	SD-1 Manco Weatherseal Tape 1 x 45 ft	1,776	1.21	2,148.96
18	30 x 36 Plaskolite 0.100 clear plastic	240	8.80	2,112.00
19	618A T Temper Alum/Sil Snow Shovel	144	14.18	2,041.92
20	C18AT TT PVF Alum Snow Shovel	252	8.09	2,038.68
21	706 6' Aluminum Stepladder	55	36.09	1,984.95
22	P24 Therm Rope Caulk 90'	864	2.01	1,736.64
23	2224 24' Alum Extension Ladder	17	96.21	1,635.57
24	32 x 42 Plaskolite 0.100 clear plastic	150	10.85	1,627.50
25	40302-36-1 Peer Chain Prf -¼-100	12	135.11	1,621.32
26	X18A T Temper Alum Snow Shovel	222	7.08	1,571.76
27	18A T Temper Silicone Alum Pusher	162	9.56	1,548.72
28	45053-06-9 Peer Chain Dec Antbrs50R1	62	24.70	1,531.40
29	2 x 4 x ⅛ Pegboard	1,200	1.26	1,512.00
30	45052-06-6 Peer Chain Decor-Blk 50	59	24.70	1,457.30
31	45051-06-3 Peer Chain Decor-Brs 50	59	24.70	1,457.30
32	2100 3M V-Seal Wthrstrp 17' brn	300	4.75	1,425.00
33	40301-36-9 Peer Chain Prf-3/16-125	13	108.97	1,416.61
34	2220 20' Alum Extension Ladder	19	74.52	1,415.88
35	P510 Therm Poly Storm Window 5 x 10'	528	2.66	1,404.48

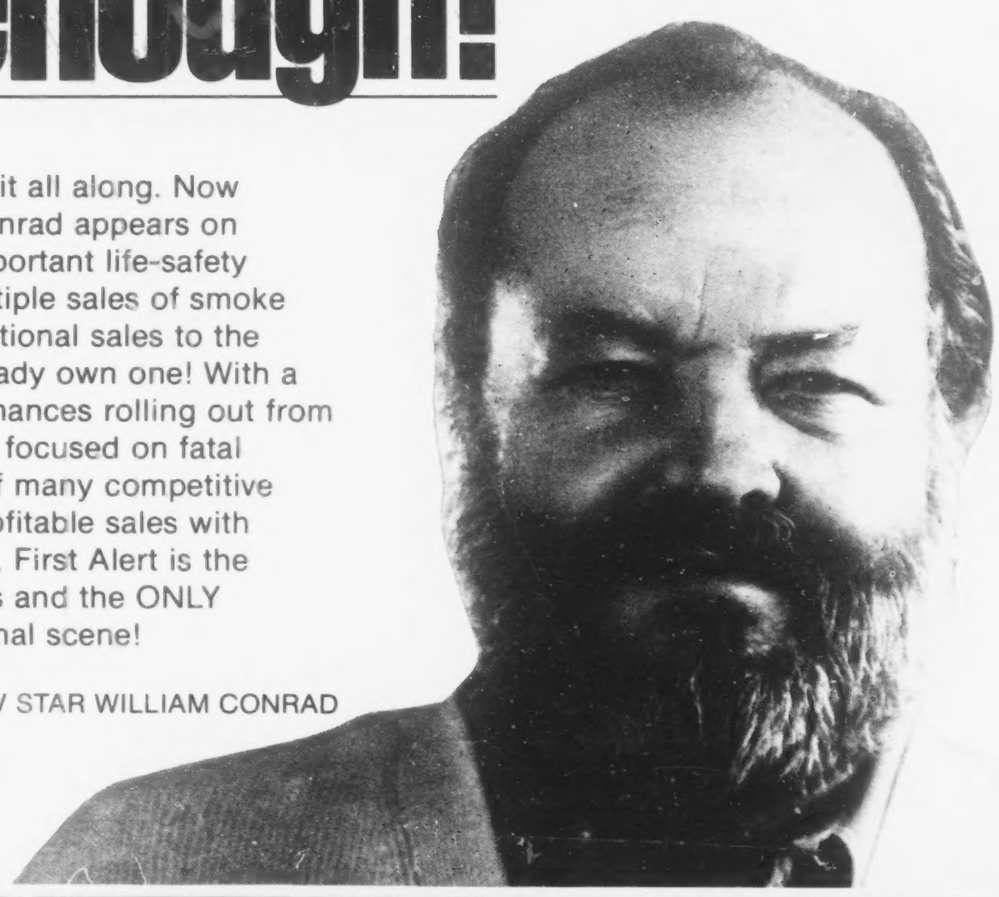
$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	ROYAL IMPORTS			
1	931 6-pc Rubber Grip S D Set	1,020	2.69	2,743.80
2	500 16-oz Tubula St Hammer	840	2.69	2,259.60
3	404 6½" L N Pliers	662	2.61	1,727.82
4	409 6½" Diagonal Pliers	629	2.69	1,692.01
5	1585 5-pc Screwdriver Set	624	2.69	1,678.56
6	420 7" Linesman Pliers	582	2.69	1,565.58
7	183 13-pc Chr Van Drill Set	546	2.69	1,468.74
8	688 8" Slip Joint Pliers	522	2.69	1,404.18
9	92241 5-pc Comb Wrench Set chr	504	2.69	1,355.76
10	720 5-pc Punch-Chisel Set	504	2.69	1,355.76
11	133 8" Chrome Adj Wrench	462	2.69	1,242.78
12	180 13-pc Drill Set	768	1.53	1,175.04
13	222 10" Vise Grip Wrench	390	2.69	1,049.10
14	105 Sabre Blades 5 pc	643	1.53	983.79
15	881 Knife Kit 7 Blades/1 Handle	366	2.69	984.54
16	1000 Crimping Tool w/terminal	336	2.69	903.84
17	109 Ex Deep Hole Saw 7 Blades	330	2.69	887.70
18	696 4½" Long Nose Pliers	288	2.69	774.72
19	293 Royal Key Return Reel	288	2.69	774.72
20	1695 3-pc Rubber Grip SD Set	282	2.69	758.58
21	115 Jewel Screw Dr Set 5 pc	492	1.53	752.76
22	716/359 Hacksaw Frame Adj	270	2.69	726.30
23	922 2-pc Rubber Grip Screwdriver	463	1.53	708.39
24	473 6" Slip Joint Pliers	432	1.53	660.96
25	490 Tubing Cutter	240	2.69	645.60
26	513 Bolt Cutter	240	2.69	645.60
27	363 Mitre Corner Clamp	240	2.69	645.60
28	507 Tap and Wrench Set	240	2.69	645.60
29	558 16-oz Steel Hammer	414	1.53	633.42
30	601 5-pc Open End Wrench St	408	1.53	624.24
31	541 Rubber Mallet 16 oz	222	2.69	597.18
32	923 6-pc Jewelers S D Set	222	2.69	597.18
33	640 Brick Trowel 10"	222	2.69	597.18
34	111 Hole Saw 7 Blades	216	2.69	581.04
35	560 8-oz Steel Hammer	360	1.53	550.80

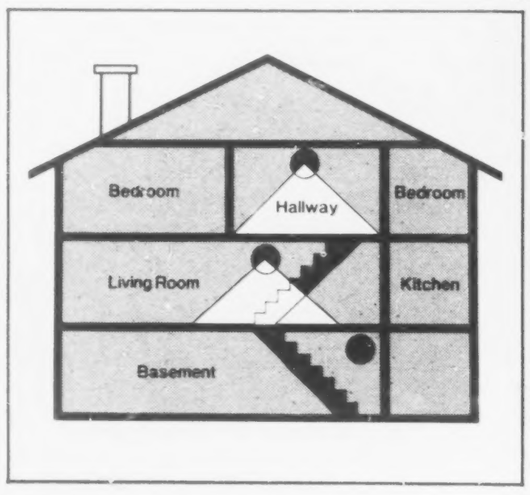
Source: Stem Distributing, Maple Heights, Ohio.

"I'm telling millions that one smoke alarm is not enough!"

Fire prevention experts have said it all along. Now First Alert Spokesman William Conrad appears on network and spot TV with this important life-safety message that will help create multiple sales of smoke detectors to non-owners and additional sales to the safety-conscious people who already own one! With a new wave of smoke detector ordinances rolling out from major cities . . . national attention focused on fatal fires . . . and the disappearance of many competitive brands . . . the opportunity for profitable sales with First Alert looks great. Remember, First Alert is the leading producer of smoke alarms and the ONLY consistent advertiser on the national scene!

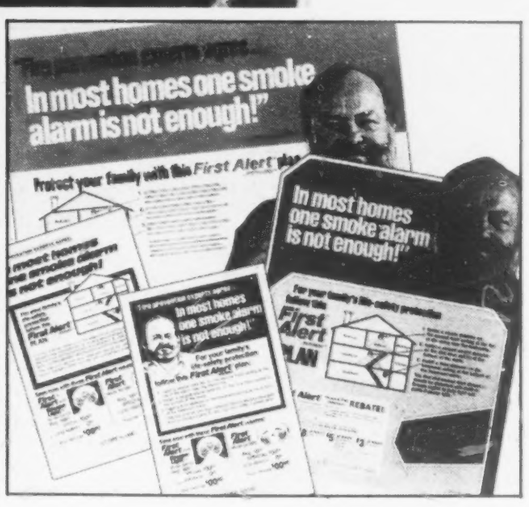
TV STAR WILLIAM CONRAD





The First Alert Plan Sells every-level protection. For the typical two-story house it recommends Escape Light™ smoke detectors on first and second floors, plus a regular First Alert in the basement.

William Conrad Promotes the First Alert Plan on network and spot TV throughout the height of the heating season.

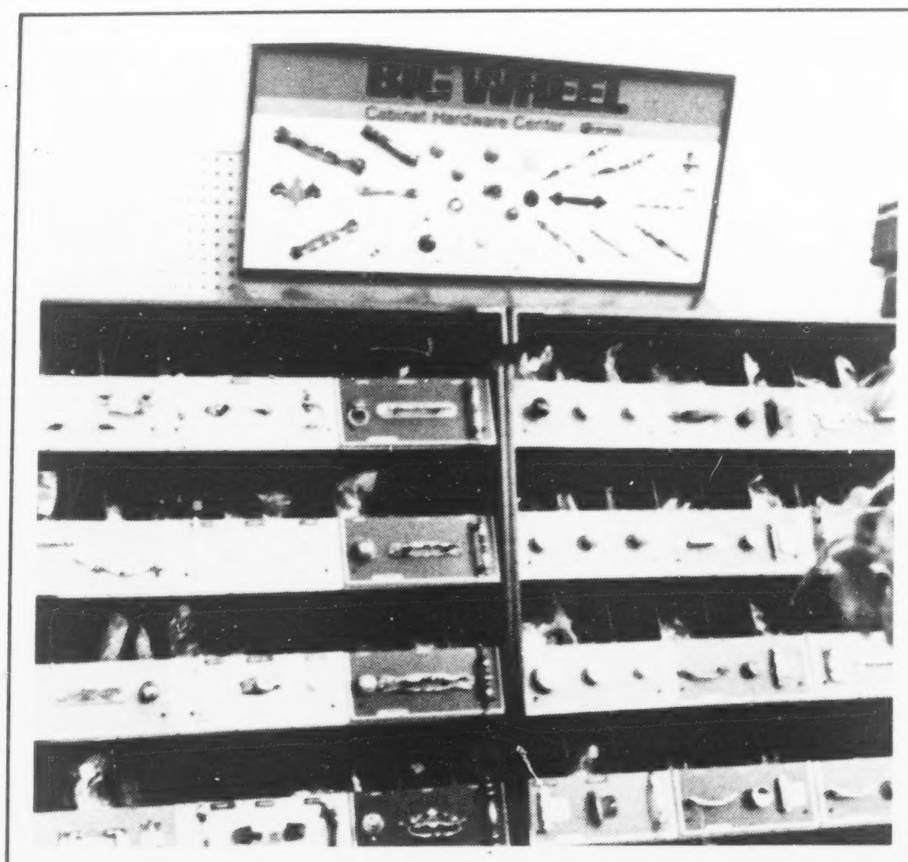


Strong Promotional Support includes ad slicks, giant full-color banner, a full-color easel-back P.O.S. display card and consumer rebates.

First Alert® by PITTWAY®

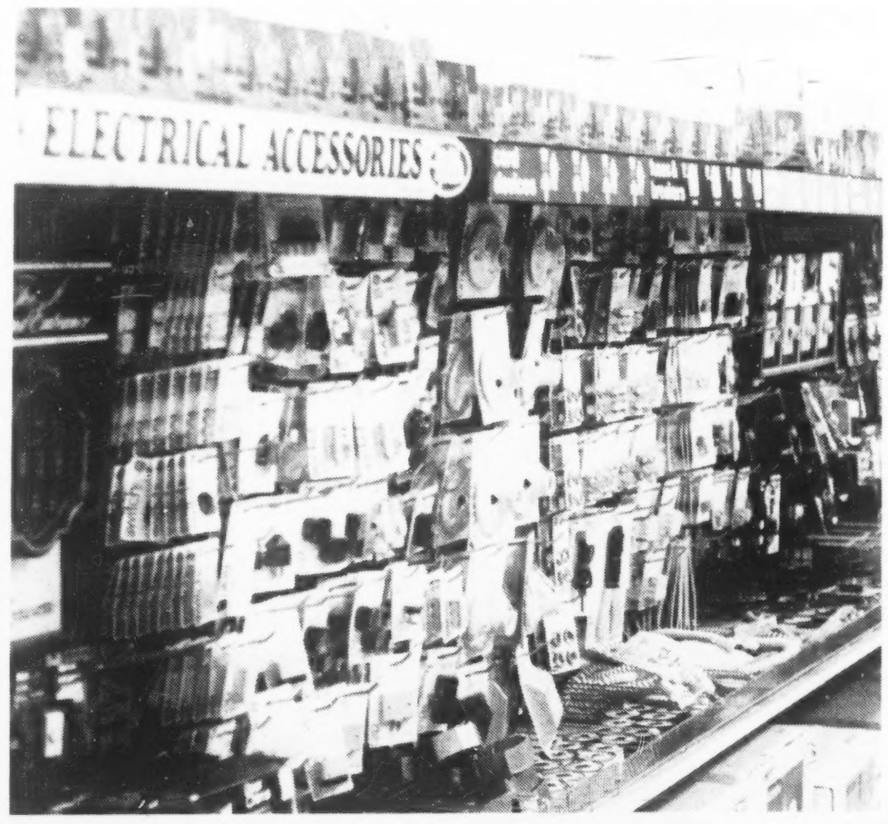
America's leading producer of smoke detectors.

HARDWARE



Show 'em Where It's At

Easy-to-read graphics are a key to attracting the hardware do-it-yourselfer in both the electrical and cabinet accessory categories. Hills, Niagara Falls, N.Y. (r.), effectively ties together all aspects of a discount electrical department by the use of an extended billboard which tells the customer what can be found directly below on the pegboard. By raising the level of the flat bins below the pegboard above floor level, the items can be more easily seen and identified by the customer. Fishers Big Wheel, New Philadelphia, Ohio (l.), creates a display of available cabinet knobs and handles which readily identifies what can be found in the bins. *(DSN photos)*



So-so Economy

(Continued from page 85)

need arises," said Comeriato.

Home improvement sales are "good, up over 1980," according to Ed Russ, Stem's executive vice president. With winter entering its cruelest period in much of the distributor's Midwest sales area, items such as dryer vent heat savers, poly sheeting and weather strip tape all appear on the list of top dollar movers.

Heating a home involves an ever increasing dollar output, so homeowners are quick to use plastic sheeting on nonstorm windows, heat saving vents to trap warmth before it escapes through a dryer's vent and weather stripping to further insulate windows. This PMA reflects the fuel-saving trend with a Bede dryer vent heat saver as the top dollar mover ($8,961.12) and the plastic sheeting and tape classifications occupying a combined nine of the top 35 places.

CALENDAR

(Continued from page 84)

April 18-21
Southern Hardware Convention, Shamrock Hilton, Houston.

April 19-21
Physical Distribution Conference, Hilton Inn, Little Rock, Ark.

April 25-28
Transworld Promotional Merchandise Exhibit, O'Hare Exposition Center, Chicago/Rosemont.

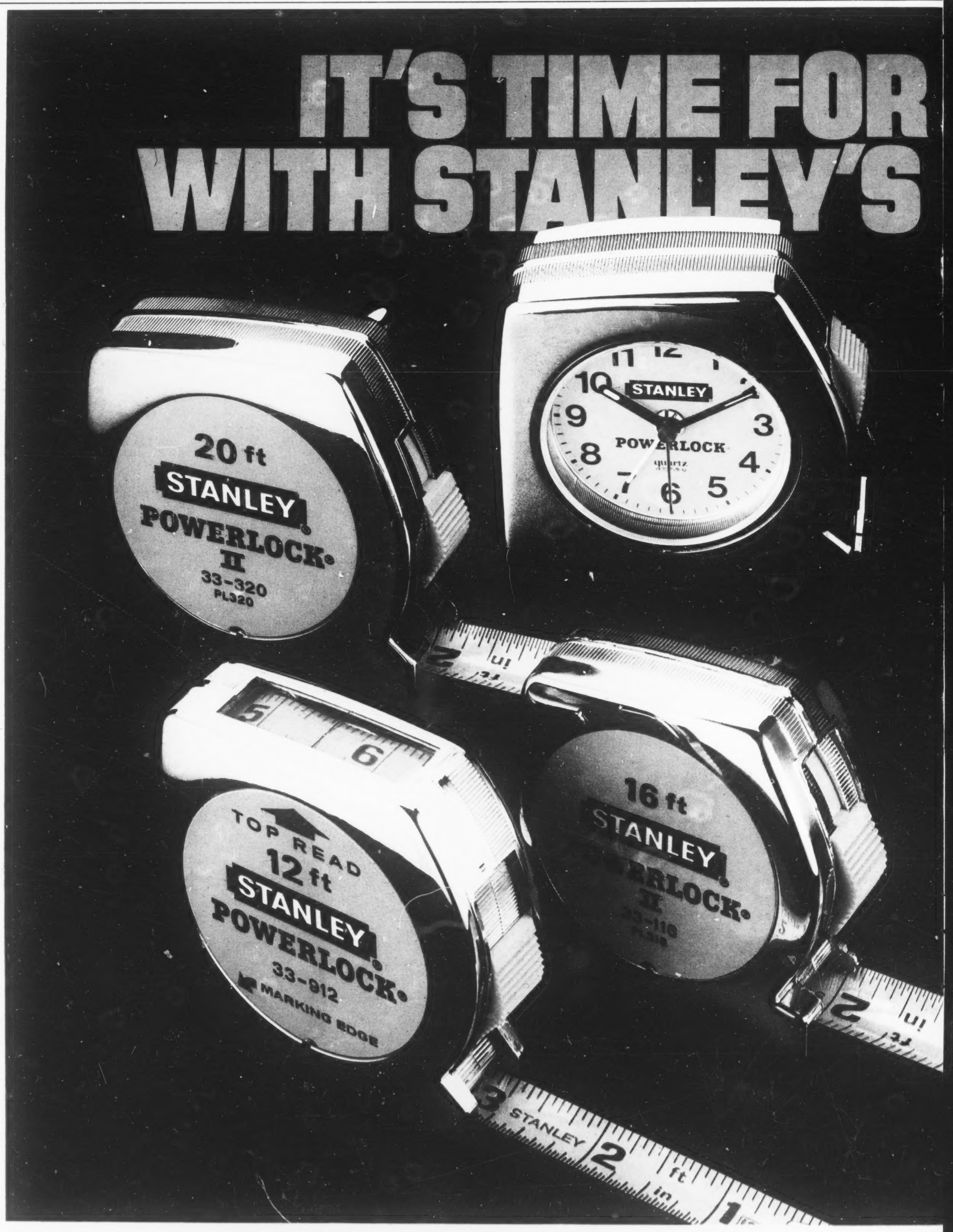
May 5-9
AFTMA: American Fishing & Tackle Manufacturers Assn., Semi-Annual Meeting, Washington, D.C., La Fonte Plaza.

May 15-19
NMRI: National Mass Retailing Institute, Town & Country Hotel, San Diego.

June 6-9
CES: Summer Consumer Electronics Show, McCormick Place, Chicago.

June 9-11
AGMC: Merchandising/Advertising Conference, Opryland Hotel, Nashville.

July 9-14
Transworld Housewares & Variety Show, O'Hare Exposition & Exhibition Center, Chicago.



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Toy Fair Coverage: Pp. 20-39
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Discount Store News®

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Collision Course on Resale Price Control

Justice Dept. Will Support It Actively in Private Lawsuits

By Ken Rankin

WASHINGTON—The Reagan Administration is turning back the clock on Federal antitrust enforcement as part of an orchestrated campaign to encourage manufacturer resale price maintenance schemes and other distributional restraints against the nation's retailers.

The Administration's drive to resurrect Depression-era "Fair Trade" restrictions figures to put the Justice Department's antitrust high command on a collision course with discounters, as well as price-oriented general merchandise, supermarket, home center and drug chains across the country.

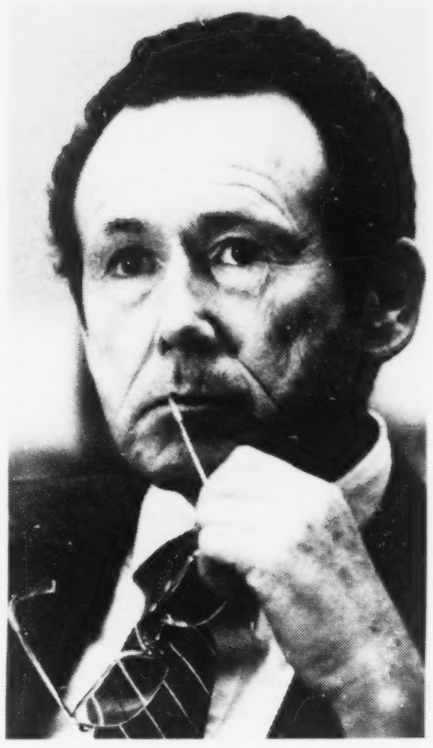
Significantly, Justice Department antitrusters are not planning a mere slowdown in Federal prosecution of suppliers suspected of restraining retail trade. Justice's Antitrust Division is preparing to actively intervene in private lawsuits on behalf of manufacturers charged with enforcing resale price maintenance programs and other coercive vertical restraints against retailers.

The Administration's effort is being quarterbacked by the chief of the Antitrust Division—Assistant Attorney General William Baxter—as part of the agency's controversial new "Private Action Program."

Under this program, the Justice Department plans to assign Government attorneys to prepare amicus curiae ("friend of the court") briefs to assist suppliers charged with vertical antitrust law violations.

Although the department

(Continued on page 61)



Calling discount stores "free riders," the Justice Department's William Baxter is campaigning for resale price maintenance. *(Wide World Photo)*

Target, Wal-Mart and Rose's Develop Campaigns Against It

Nationwide DSN Report

An "ominous" shift in Justice Department and Federal Trade Commission policies, including relaxation of enforcement in cases of manufacturer control of resale prices, has chains moving on Washington with countering lobby campaigns.

Chains like Target, Wal-Mart and Rose's are just now developing strategies to stop the Justice Department and FTC shift which involves changes in regulatory agency policies rather than proposed legislation.

But because of this quiet "end run" toward price maintenance, the policy change has still escaped the attention of most of the discount store industry.

"Other discounters ought to be aware of the situation and they ought to be concerned. We view a change in policies as ominous," said Target's vp of community and consumer affairs George Hite, who also handles Government relations.

Target is in the process of writing to senators and repre-

(Continued on page 61)

Housewares Prices, Promos Hailed

Despite cold more than 60,000 jammed McCormick Place for the Housewares Show last month. *(DSN photos)*

Julian Seeherman, Venture

By Marilyn Neerman

CHICAGO—Retailers approached the 76th NHMA National Housewares Exposition braced for two things: Chicago weather and price increases.

Nobody was surprised by the subzero temperatures, but discounters breathed a sign of relief that manufacturers shared their concern about a tough first half and responded by holding the line on price.

In terms of new items at the show, discounters were of two minds:

There were those who found an abundance of new items and fashion looks, and others who complained there was nothing new.

(Continued on page 4)

Leroy Peterson, Pamida

Joe Nusim (l.) Jamesway, and Ray Wysocki, Zayre

Digest

Feb. 8, 1982

Housewares

- **Zodys' flatware sales are forging ahead through its recently** installed direct-import program. (p. 8)
- **Discounters are searching for new ways to increase cutlery** market share against department stores.

H&BA

- **Men's fragrances are getting more space at T.G. & Y. through** higher gondolas and new cross-merchandising techniques in men's wear. (p. 14)
- **After slipping in soaps for years, discounters are now finding** their niche in liquid soaps. Shower soap sales are also expected to bubble for chains. (p. 14)

Hardware

- **Home security and name brand tools are being boosted in size** and scope at Jamesway stores. (p. 17)
- **Magic Mart and Zayre are revving up chain saw merchandising** attacks to counter the ill effects decreased housing starts have had on the high-ticket item. (p. 17)

Specialty Discounters

- **Toys "R" Us is looking to expand its markets in southeast** Florida; home computers are also getting the eye for its merchandise mix. (p. 53)

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CD (U.S.) Dissolves Its Young Coordinating/Franchising Arm

EDISON, N.J.—Consumers Distributing (United States) has closed its catalog coordinating and showroom franchising division less than a year after launching it.

The decision was made by Bernard A. Cohen shortly after Consumers Distributing (Canada) appointed him president and chief executive officer of its 102-showroom United States division. The latter's young coordinating group had four showroom members, and two others had been signed for 1982-83.

Cohen's prime job is to turn around the United States operation which hasn't had a profit since its inception.

(The CD [U.S.] change came as two top executives—Jorgen Petersen, executive vice president, and Harold Schroer, director of catalog sales—left the company.)

Cohen told *DSN*: "Any new president has to evaluate a company and set priorities. After evaluating CD, I decided the coordinating operation didn't fit in with our short-term

(Continued on page 62)

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HOUSEWARES

Storage Items Come Out of The Closet

The closet and storage category has been an area of growth among discounters' housewares departments. And, with sales increases expected to continue in the category, several discounters are contemplating an extension of the currently typical 4 to 8 ft. allotted the merchandise.

Spokesmen for both Bacar Inc. and the Myron Nickman Co., the distributors who supplied this Product Movement Audit, credited the conventional department stores—and their decision to cut back in a category they once dominated—with the discounters' new-found success.

This about-face by department stores took place when they concluded main floor real estate was too expensive to devote to large notions departments. In most cases the floor space was shifted to higher volume, higher margin budget women's sportswear.

At the same time, department store housewares and bath shops were also in the midst of a metamorphosis, changing from areas housing largely staple merchandise into areas emphasizing a fashion image.

Since then discount stores have been making larger inventory investments in this merchandise, with excellent sales results.

The Product Movement Audits, covering the January through November 1981 selling period, reflect the discounters' strength in basic closet and storage items. Ranking within the top 15 items from Bacar and Nickman are such staples as tiered skirt, blouse and pant hangers.

But essentially the audit is evidence of the need for a wise variety of items for a well-rounded closet/storage department.

Nickman's 1981 product movement audit for clocks reflects the fact that significant volume was generated by promotional activity in basic items, particularly alarm clocks under $10.

But this volume segment of the business, according to Nickman's spokesman, does not negate the importance of fashion clocks in discount stores.

Several trends have emerged for 1982. First, manufacturers have unleashed a blizzard of new products because they know retailers, discounters among them, plan to expand assortments in this profitable category.

Second, under the heading "fashion clocks," the category is changing course and moving away from novelty clocks—puppy dog and coffee mill shapes and picture clocks, for instance—to a "cleaner" look in both the framing and the face of the clock.

Frames in high-tech colors have emerged as a fashion statement.

The predominant clock shapes are round, square, hexagon, etc., all of which are extensions of the "clean" look.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	CLOSET & STORAGE			
1	McMillin 4000 1-pc wire shoe rack	5,946	3.41	20,275.86
2	Unv 8320 asst garment bag	3,156	5.66	17,862.96
3	Tucker 176 shoe box asst	9,504	1.79	17,012.16
4	Wall 8080/8 drip-dry hanger (8)	11,356	1.16	13,172.96
5	Wil-Hold 195/7 large storage box	1,696	6.74	12,779.04
6	Wall 9020 skirt hanger set, 3 metal	5,400	2.06	11,124.00
7	Wall 8020/2 wood pant hanger (2)	4,711	1.80	8,479.80
8	Wil-Hold 195/6 small storage box	1,506	5.57	8,388.42
9	Wall 8010/2 wood skirt hanger (2)	4,178	1.80	7,520.40
10	Tubular 700-AL plas hanger almond	24,118	0.30	7,235.40
11	Wall 9010 5-tier skirt rack	2,592	2.68	6,946.56
12	Wil-Hold 195/5 shoe box—gold lid	3,274	2.06	6,744.44
13	Unv 8324 asst 12-pocket shoe bag	1,523	4.31	6,564.13
14	Wall 52 5-tier metal slack rack	3,827	1.52	5,817.04
15	Richdon 01301 utility storage chest	1,966	2.51	4,934.66

Source: Bacar Inc., San Jose, Calif. Sales from Jan. 1-Nov. 13, 1981.

	CLOSET & STORAGE			
1	Lee/Rowan 3x80 skt hanger set (3)	8,926	1.82	16,245.32
2	Corr concept wsb/ksi stor chest	9,552	1.39	13,277.28
3	Lee/Rowan 3x19 skt/blouse add a hg	6,816	1.82	12,405.12
4	Tamor 2280/3/2210/3 plas suit hgr	9,504	1.26	11,975.04
5	Lerner 7400 sweater box pl 16x11x7	2,964	3.85	11,411.40
6	Corr concept wsb/wd-4 draw chest	1,566	6.57	10,288.62
7	Lee/Rowan 3x66/3x65 garment rack	1,045	9.53	9,958.85
8	Lee/Rowan 3x89 overdoor hanger	4,488	2.14	9,604.32
9	Lorner 1100 shoe-lid type	7,920	1.18	9,345.60
10	Lee/Rowan 3x34 wo trouser hanger (3)	4,752	1.86	8,838.72
11	Corr concept wiib/kv2 under chest	6,216	1.37	8,515.92
12	Unv U-8350 gar bag dr d/prnt lg	1,620	5.11	8,278.20
13	Lee/Rowan 3x50 5-tier skt rack	2,688	2.81	7,553.28
14	Lee/Rowan 3x5 blouse tree 6-tier	3,120	2.17	6,770.40
15	Corr concept cksb cracker box stor	4,392	1.54	6,763.68

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	CLOCKS			
1	Westclox 22032 dimmer dialt gold	8,316	6.10	50,727.60
2	Timex 7369-002 alarm clock	8,948	5.11	45,724.28
3	Westclox 22189/20291 bold II wht	8,722	5.17	45,092.74
4	Westclox 11102 Baby Ben bl lum	2,392	14.22	34,014.24
5	Westclox 10102 Big Ben bl lum	2,154	14.94	32,180.76
6	Timex 7373-402 Snooz/lt dial alarm	3,939	7.50	29,542.50
7	Cosmo E517 comp. LED drowse alarm	2,377	11.40	27,097.80
8	Sunbeam 880-21 lure ele alarm	5,896	4.59	27,062.64
9	Sunbeam 880-1065 country manor	1,181	22.71	26,820.51
10	Spartus 1091-61 mercury LED btr b/u	1,548	16.03	24,814.44
11	Equity 292 minibell ivory/lum	2,009	11.62	23,344.58
12	Sunbeam 880-11 petite alarm wh face	5,402	4.24	22,904.48
13	Sunbeam 881-379 pembroke QTZ-wall	1,296	15.85	20,541.60
14	Sunbeam 881-408 farmstead wall	2,186	9.37	20,482.82
15	Spartus 1060-61 jupiter LED his/her	1,048	19.11	20,027.28
16	London Time 7800 butcher block/ligt	991	18.12	17,956.92
17	Sunbeam 881-98/881-778 arbor/hosp	1,837	9.35	17,175.95
18	Picco 261K quartz alarm	1,134	14.67	16,635.78
19	Westclox 1520y/15075 bonus wh lum	2,406	6.83	16,432.98
20	Mechanical 2411-02 cinnamon	695	23.13	16,075.35
21	Spartus 2082-41 butcher blk 9-in sq	1,304	11.24	14,656.96
22	Sunbeam 881-458 countryway kit elec	1,334	10.92	14,567.28
23	Spartus 1120-01 delta LED alarm	1,300	10.99	14,287.00
24	Equity 257 superbell wht/lm	1,098	12.85	14,109.30
25	Mechanical D2004LV3 3-pc lighthouse	420	33.47	14,057.40
26	Sunbeam 881-351 Clarion kit ele lg	1,209	11.34	13,710.06
27	Timex 5603-003 keywound alm walnt	1,012	12.14	12,285.68
28	Sunbeam 880-1025 colonial charm alm	1,038	11.75	12,196.50
29	Spartus 3016-41 school days electric	916	13.23	12,118.68
30	Picco 4015 swedish	542	21.04	11,403.68
31	Contour 42304W bridg	316	35.70	11,281.20
32	Westclox 11103 Baby Ben wh plain	831	13.55	11,260.05
33	Spartus 2282-41 Dimensions mocha	1,087	10.29	11,185.23
34	Cosmo E501/505 LED alarm	845	13.13	11,094.85
35	Mechanical D2508-095 5-pc owl	460	23.97	11,026.20

Source: Myron Nickman, div. of Cook United, Maple Heights, Ohio. Sales from Jan. 1-Nov. 7, 1981.

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HEALTH & BEAUTY AIDS

Biz Leaps In Pegged Cosmetics

Sales in pegged cosmetics in 1981 were stimulated by increased manufacturer advertising expenditures and several innovative product introductions.

According to Boston Distributors of Maple Heights, Ohio, the firm which supplied this Product Movement Audit, real sales increases among the discounters served by the distributor were approximately 19% last year.

This movement audit covers the period Feb. 2 through Nov. 6, 1981. It shows the continuing dominance of Maybelline and Noxell in the pegged cosmetics categories.

Once again, Maybelline dominated the eye makeup category, the largest category within pegged cosmetics. The firm's Great Lash in black remained the top seller in mascara, and brown/black took the No. 14 spot.

But, heavy television ad support by Maybelline helped make its new entry, Dial-A-Lash, a winner during the period it was available.

Noxell continued to make inroads in the eye category with the successful launch of Marathon Mascara, which captured two places among the top 15 eye products.

The audit also reflected the continuing strength of Noxell's Professional mascara line.

Lip products, the second largest category in pegged cosmetics, was also dominated by Maybelline. The audit also revealed that the youth-oriented lip glosses were the biggest gainers in the category for the year.

Maybelline took 13 of the 15 top-selling products in the lip area last year. Noxell's Cover Girl lipsticks placed only two items on the PMA, demonstrating that Noxell did not make the inroads in the lip product category that it did in eye makeup.

On the other hand, Boston Distributors reported its face makeup category was "virtually owned" by Noxell. The line placed 13 items in the top 15.

Pressed powders landed in the top four spots and took seven rankings overall. Liquid makeup also placed four items in the PMA. And, all the pressed powders and liquid makeups on the PMA were from Noxell.

The nail products' PMA was led by Cutex with its colorless polish taking the No. 1 ranking. In second place was Cover Girl's colorless formula.

Last year Noxell's Cover Girl did make gains against Cutex by taking five PMA spots, while Cutex held on to six listings.

Sally Hansen remained an important factor in the nail products market with four items among the top 15.

During 1981 there was a tremendous rise in sales of nail accessory products. Although they are not listed as a separate category in the PMA, the Krazy Nails Kit was actually the No. 1 item in the entire pegged cosmetic category; Boston's movement on the item was 5,000 units.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	EYE MAKEUP			
1	Maybelline Great Lash mascara blk 175M	9,642	1.84	17,741
2	Maybelline Blooming Colors plum 200DP	7,104	2.29	16,268
3	Maybelline automatic pencil blck 100C	10,644	1.52	16,179
4	Maybelline Fresh Lash mascara blck 195M	8,554	1.84	15,739
5	Maybelline Ultra Big Ultra Lash mscra blk 150ML	9,540	1.63	15,550
6	Cover Girl Marathon mascara blk 6123	7,480	2.03	15,184
7	Cover Girl Professional mascara blk 4656	7,384	1.97	14,546
8	Maybelline Twin Pak pencil blk 59TC	14,976	0.94	14,077
9	Maybelline automatic pencil drk brwn 100C	8,148	1.52	12,385
10	Maybelline Blooming Clrs Bnch of Cola 200DP	5,322	2.29	12,187
11	Maybelline Fresh Lash mascara blk/brwn 195M	6,186	1.84	11,382
	LIP PRODUCTS			
1	Maybelline Lip Potions cherry smash 175LG	4,035	1.98	7,987
2	Maybelline Kissing Stick strawberry 200LG	3,522	1.98	6,974
3	Maybelline Whip Stick lipstick plum ice 125FL	3,864	1.76	6,801
4	Maybelline Kissing Slick strawberry 200KS	3,243	1.98	6,421
5	Cover Girl lipstick pure gloss 604	3,648	1.76	6,420
6	Maybelline Whip Stick copper coral 125FL	3,498	1.76	6,156
7	Maybelline Lip Potion strawberry swirl 175LG	3,051	1.98	6,041
8	Maybelline Kissing Stick pure glaze 200KS	2,976	1.98	5,892
9	Maybelline Kissing Stick cherry 200KS	2,961	1.98	5,863
10	Maybelline Kissing Stick cherry 200LG	2,940	1.98	5,821
11	Cover Girl lipstick natural frost 612	3,292	1.76	5,794

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	FACE MAKEUP			
1	Cover Girl medium pressed powder 448	7,292	2.15	15,679
2	Cover Girl brunette pressed powder 456	7,064	2.15	15,188
3	Cover Girl creamy beige pressed powder 464	6,676	2.15	14,353
4	Cover Girl creamy natural pressed powder 422	6,356	2.15	13,665
5	Maybelline Brush-Blush pink 195PB	6,675	1.97	13,150
6	Cover Girl oil-free press powder med 00745	5,728	2.15	12,315
7	Cover Girl liquid makeup creamy natural 0373	5,728	2.15	12,315
8	Cover Girl liquid makeup lite 0381	5,680	2.15	12,212
9	Cover Girl Brush-On-Blush peach 498	5,114	2.33	11,916
10	Cover Girl liquid All-Day mkp ntrl ivory 04119	5,532	2.15	11,894
11	Maybelline Brush-Blush peach 195PB	5,949	1.97	11,719
	NAILS			
1	Cutex nail polish colorless	9,292	0.93	8,642
2	Cover Girl Nail Slicks clear	7,080	1.13	8,000
3	Sally Hansen Be-Long 2220	3,432	1.99	6,830
4	Sally Hansen Hard-As-Nails tint 2106	6,288	1.01	6,351
5	Cutex Frost Polish nearly pink 1214	3,648	1.63	5,946
6	Cover Girl Nail Slicks sandlewood 3814	5,136	1.13	5,807
7	Cover Girl Nail Slicks snowflake frost 3781	5,008	1.13	5,659
8	Cutex Frost Polish platinum 1214	5,748	0.93	5,346
9	Cover Girl Nail Slicks rose silk 3848	4,988	1.33	5,636
10	Hard-As-Nails frost pink 4400	5,370	0.97	5,209

Source: Boston Distributors, Maple Heights, Ohio. Sales from Feb. 2-Nov. 6, 1981.

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HARDWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	ELECTRICAL			
1	12/2 Romex w/grd 250' per box	119	23.50	3,971.03
2	SL-1K Flor shop Lit comp 40-48"	172	16.15	2,777.80
3	34256 Norelco mercury vapor light	56	47.06	2,635.36
4	U100 Alliance tena-rotor automatic	41	61.66	2,528.06
5	100' 12/2 Romex w/ground boxed	133	18.76	2,495.08
6	267 Leviton small pin socket	3,475	0.70	2,432.50
7	1215IV Lev ground duplex receptacle	3,400	0.64	2,176.00
8	315 15' 18/2 White cord-ext indoor	1,330	1.52	2,021.60
9	½ Conduit 10' length	930	2.03	1,887.90
10	AP15X Flor u/cab fix w/o outlet	258	7.07	1,824.06
11	12/2 UF w/ground 250' per box	37	45.72	1,691.64
12	801/6101 Night light ivory	1,080	1.53	1,652.40
13	DR600RS Lutron UL rotary dimmer	381	4.35	1,651.35
14	1215BR Lev ground duplex receptacle	2,410	0.64	1,542.40
15	XP15oul Thyrocon photo-cell socket	240	6.05	1,452.00
16	309/282W 18/2 wht cord-ext ind 9'	1,220	1.18	1,439.60
17	4484/201 25' Trblite plas guard	252	5.45	1,373.40
18	48560 Snapit sensor nite lite	252	5.41	1,363.32
19	SLC200 Elect security lite	50	27.24	1,362.00
20	209/282 18/2 Brown cord-ext ind 9'	1,132	1.18	1,335.76
21	14/2 Romex w/ground 250' per box	50	23.98	1,199.00
22	4150/160-6-5 ½ Clamp-on light	220	5.41	1,190.20
23	800-10584 Outdoor light plastic	181	6.53	1,181.93
24	802-49687W 6 Outlet plug-in adptr white	440	2.68	1,179.20
25	25' 12/2 Romex w/ground boxed	223	5.17	1,152.91
26	212/283 18/2 brown cord-ext ind 12'	840	1.35	1,134.00
27	5014IV Lev HD ground duplex recept	710	1.58	1,121.80
28	DR600PS Lutr UL dimmer push on/off	191	5.47	1,044.77
29	T30-1044 Rshaw univ stbk ht/cl	20	52.07	1,041.40
30	86003IV Lev duplex recept plate	3,700	0.28	1,036.00
31	24x30 Plaskolite .100 clear plastic	160	4.27	972.80
32	10/3 Romex w/grd 250' per box	10	97.21	972.10
33	CFL22 Con-serv fluor lite scru-in	96	9.93	953.28
34	100' 14/2 Romex w/ground boxed	68	13.75	935.00
35	OLC5 Hemco outdoor light control	104	8.68	902.72

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	PLUMBING			
1	½ M hard copper 10' length	4,900	3.46	16,954.00
2	88TM white A1/Amer Wood Toilet seats	839	7.08	5,940.12
3	½ CPVC pipe 10' length	1,690	2.22	3,751.80
4	ST5 40 NSRT 40-gal Gas Heater 5 yr	24	155.75	3,738.00
5	202C03 Matco ½ Cop Stop/Waste	1,647	1.96	3,228.12
6	FS402 Corlserv Shower Head	339	9.03	3,061.17
7	ST5 40 NCRT 40-gal Gas Energy Sav	12	208.48	2,501.76
8	560 U-Plm Toilet Tank Repair kit	438	5.33	2,334.54
9	920 Wheeling 20-gal Sheet Can	240	9.04	2,169.60
10	733½ Copper Union	1,703	1.24	2,111.72
11	¾ M hard Copper 10' length	380	5.47	2,078.60
12	Mark II B Grade Toilet Comb White	37	54.89	2,030.93
13	186W Dr/King for unclogging drains	360	5.43	1,954.80
14	28-290/21-252 A Grad Toilet-comb white	29	60.15	1,744.35
15	B100 Manco Duct Tape 2" x 10 yd	1,416	1.21	1,713.36
16	B450 Ma co Duct Tape 2" x 45 yd	399	3.99	1,592.01
17	839110 BB Kitchen faucet 6" w/spray	44	35.14	1,546.16
18	611 ½ Copper tee	6,644	0.23	1,528.12
19	ND300 Neptune Disposer economy	35	43.52	1,523.20
20	PB3600 Flo bronze pump—pedestal	12	125.25	1,503.00
21	843120 BB 4" Lav faucet w/popup	60	24.75	1,485.00
22	803610 BB 2 Valve diverter CP handle	41	35.08	1,438.28
23	930 Wheeling 30-gal sheet can	102	14.05	1,433.10
24	763 U-Plm S-trap Kitchen 1½	150	9.43	1,414.50
25	760 U-Plm P-trap 1¼ bathroom h	276	4.75	1,311.00
26	¾ CPVC pipe 10' length	300	4.31	1,293.00
27	607 ½ Copper ell 90	9,325	0.13	1,212.25
28	835320 BB kitchen faucet w/spray	38	31.23	1,186.74
29	767 U-Plm J-bend 1½ chrome	360	3.23	1,162.80
30	200A Fluidmaster ballcock	235	4.94	1,160.90
31	761 U-Plm P-trap 1½ kitchen	186	5.98	1,112.28
32	2125 Keystone portable add-a-shower	51	21.72	1,107.72
33	PC3600 Flo cast iron pump-pedestal	13	82.83	1,076.79
34	745 U-Plm center waste outlet PVC	236	4.46	1,052.56
35	P28 ¼PT Parabond all purpose	648	1.61	1,043.28

Source: Stem Distributing, Maple Heights, Ohio. Figures cover December 1981.

Savvy DIYers Spur Electrical, Plumbing Sales

Electrical and plumbing items enjoyed strong sales during December 1981, according to the latest Product Movement Audit figures from Stem Distributing, Maple Heights, Ohio.

In the electrical category, sales remained good, with little, if any, seasonal sales in the mostly basic business. Percentage sales increases over December 1980 were not available due to the addition of a new supplier. Nevertheless, Wayne Dixon, Stem's electrical and plumbing buyer, was pleased with the results of this period's top-dollar electrical mover, the Romex 12/2 250-ft. extension cord with guard. "The item sold very well throughout the year. It did a steady business rather than spurting at a particular time," said Dixon.

Dixon explained that most electrical items sold well despite the lack of new housing starts in the area which Stem covers. Many of the 119 Romex units sold during December were ultimately retailed to sophisticated DIYers who needed the cords to complete work on extra rooms added to houses, garage maintenance and other home-related repairs or remodeling. The Romex cord had a total dollar movement of $3,971.03 on the strength of an average retail ticket of $23.50.

Shorter extension cords rebounded from a 1980 sales slump inflicted by the change in U.L. (Underwriter's Laboratory) quality control specifications. Dixon reported a good end-of-season clearout in the 6-, 9-, 12- and 15-ft. models, despite a price increase that sometimes reached 100%. "It used to be that a customer would need an extension cord and end up buying three because there was a "three for $1" special on them, but now one cord often sells for a dollar and the customer is less willing to buy what is probably a spare unit," explained Dixon.

Home-use extension cords made a strong showing in this most recent PMA, with separate models occupying the 8th, 16th, 20th and 26th places on the chart. The highest showing for a home-use model went to a 15-ft. white model that had a total dollar movement of $2,021.60 with 1,330 units moved in the monthly period. The average retail prices listed for the four extension cords reflected the drastic price boosts seen in the category.

As for the plumbing category, Dixon said sales were "better than expected," a prime reason being the severe winter weather that enveloped much of the Midwest. Water heaters sold extremely well due to constant breakdowns caused by an overwhelming demand for hot water on December's coldest days.

(Stem's electrical and plumbing sales figures were inflated due to the acquisition of Leon Supply, a Cincinnati-based distributor that specialized in bulk sales of electrical and plumbing items. Stem bought Leon on July 1, 1981, according to Dixon.)

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TOYS AND HOBBIES

Rebates and High Prices Spell Preschool Problems

While buyers express weary acceptance of price hikes in the preschool category, their customers' search for brand names is forcing them to carry the "Cadillac" offerings of manufacturers while holding the line on assortment and number of sku's.

In addition, discounters noted unhappily that many preschool toy makers are taking the rebate route to move their goods, while placing the retailer between the consumer and the manufacturer.

Ron Loveless, vice president, general merchandise manager, hard lines, Wal-Mart, said, "The rebates are just another way for the manufacturer to spend his ad dollars rather than try to hold the line on price points."

Buyers don't expect to see quite the jump in prices this year that they saw in 1981. They estimate hikes in the category will average 4%-5% as compared with 9%-10% last year. But, discounters are nervously considering putting a ceiling on prices. Already, they say, it's becoming hard to find an item to sell at under $10, while toys with a $30 price tag are almost impossible to sell.

Calling the American mother "brainwashed," W. E. Mann, senior buyer of toys, Woolco, said that he has divided his preschool merchandise into the chain's basic assortment and its Christmas line. During Christmas he will move in up to five high-end items, for which the manufacturer has given promotional dollars. ("We sold a tape recorder for $37 in 1981 that we're expecting to see at $44 this year.")

A buyer at ShopKo said that with 400-500 sq. ft. devoted to the preschool category, he is considering sku's more heavily to the low-end categories. "While sales in this area have been up, the number of units we have sold has decreased due to the higher price points," the buyer noted.

During Christmas the chain ran several preschool items, with manufacturer rebates, in its toy circular. The highest price point on a Christmas ad was $15.99, for a 22-piece Fisher-Price Play Family Farm.

Peggy Smeltzer, preschool buyer, Murphy's Mart, said the chain carries approximately 200-250 sku's in the category, with five name brand manufacturers dominant. The chain devotes 75 linear feet to preschool and Smeltzer said, "We are not planning to sell any items at over $20." The toy section thus won't carry the Texas Instruments line of electronic preschool toys, which retails at over $50. "We have had to sell that line in the stationery department rather than toys," said Smeltzer. Wal-Mart's Loveless said the chain will start considering the electronic preschool items when they are mass produced and, as happened with calculators, the prices come down.

Smeltzer said, "One bright spot with preschool toys is they're not as heavily promoted as other categories and we can make a 35%-40% gross margin." She pointed to the doll category as an area where a Barbie is sold at cost because of the heavy ad dollars it receives, the fact that every chain stocks Barbie, and the fierce price competition.

Heck's preschool buyer, Burl Ratchliffe, said the chain concentrates on knockoffs in this area. "We do carry an extremely limited number of the Fisher-Price items with nothing retailing at over $18," said Ratcliffe. He noted that the chain has decided that price points are their guide in choosing items for the category, with $10-$12 as their target.

"We buy the direct imports on a letter of credit, enabling us to make volume sales," Ratcliffe said. For Christmas, sales were down 5% but Ratcliffe said the chain cleared its inventory.

Not Interested

Both Ratcliffe and Murphy's Mart's Smeltzer said that the rebate programs are only viable for toy departments that carry a full preschool line. ShopKo's Balko said the chain has already voiced displeasure to Mattel and Procter & Gamble for their fall 1982 plans offering a rebate on Pampers with the purchase of any of 16 Mattel preschool items.

Price points are crucial buyer concern in preschool, as tickets under $10 become scarce. This assortment is from T.G. & Y.'s Bartlesville, Okla., store. *(DSN photo)*

Price Hikes Outrun Sales/Ft. Gains

	1971	1975	1976	1977	1978	1979	1980	1981	10-year change	5-year change	'81 vs. '80
Dept. Size (sq. ft.)	3,050	2,800	2,746	2,646	2,646	2,646	2,660	2,660	−12.8%	−3.1%	NC
Annual Turns	4.7	4.5	3.8	3.8	3.7	3.7	3.8	3.6	−23.4%	−5.3%	−5.3%
Volume per sq. ft.	$78	$85	$111.60	$116.28	$120.50	$130.03	$141	$147	+88.5%	+31.3%	+4.3%
Initial Markup	32%	34%	33%	34%	33%	33%	36%	35%	+9.4%	+6.1%	−2.8%
Gross Margin	28%	29%	29%	29%	28%	26%	29%	28%	NC	−3.4%	−3.4%
Company-run	88%	94%	96%	96%	96%	96%	96%	96%	+9.1%	NC	NC

NC—No Change *Source: DSN research*

Sales per square foot jumped a slim 4.3% in discounter toy departments in 1981, falling below average price increases in several toy categories. Christmas gains were strong at many chains, although industrywide figures show the effects of increased promotion.

Both initial markup and gross margin slipped, as pricing became even more competitive. Despite cuts taken to thin profit per unit sold, turns decreased for the year. The slowup in inventory turn continues the historical trend, although it is measured against a strong finish in 1980, which helped that year to achieve a faster average turn than either of the two previous years.

Space given over to toys has remained near the 2,650-sq.-ft. mark for the last five years, although further reduction may come in 1982 as increases in electronic games draw both dollars and space. Many chains merchandise Atari or Mattel's Intellevision in consumer electronic departments, for demonstrations with televisions. Buyers cite the large move in dollars toward Atari and other similar merchandise as a factor in smaller volume gains made by traditional toy categories.

Over the past decade, sales per square foot have almost doubled in a more tightly merchandised department. Although initial markup is down from a year ago, it has still grown over both the five- and 10-year periods, while the gross margins were the same at the beginning and end of the decade.

Spring/Summer 1982

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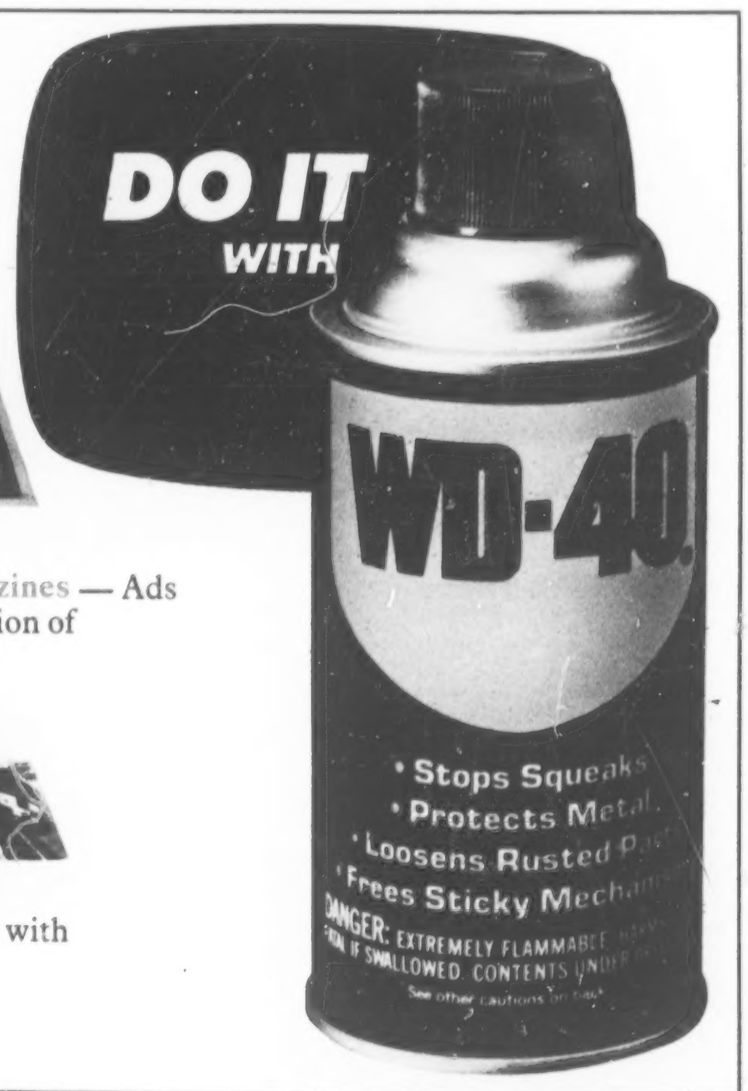


SPORTING GOODS SHOW

Licensed Products Dominate Rideons

For many of the cycles in the children's rideon category, you now need a license.

Buyers report that the children's rideon category in the toy department has become largely owned by plastic cycles, and much of that business is now becoming dominated by licensed products such as Kawasaki, Dukes of Hazzard for boys and Strawberry Shortcake for girls.

The results have been mixed lately in the industry. A Wal-Mart spokesman said rideons have "sold slowly, and we are still trying to figure out why. Licenses are starting to do well in the category, and the plastic trendy items are taking over the classic truck and wagon business."

At Woolco, a buyer noted that wheel bikes and tricycles for girls outsold boys' models last year, and said the rarity was due to Strawberry Shortcake licensed items.

"We will curtail our rideons for 1982, going basically with the licensed numbers," the Woolco spokesman said.

At Heck's, the assortment has already been limited to between six and eight sku's in plastic rideons with $24 to $29 representing the high end.

"We generally have Dukes of Hazzard cycles at $24 for our high end," said a chain spokesman. "We have gone up to $29 on some items, but there is little movement there. We see the most movement at $19."

Other chains also look to $25 as their high end on a year-round basis, though higher-ticket numbers are brought in for the fourth quarter.

At Murphy's Mart, the summertime 12 sku's range from $8 to $24, with Kawasaki and Dukes of Hazzard the strongest. A foot-powered telephone car has also done well and Christmas specials of battery-operated rideons at $79 were also successful.

In addition to licensing and limiting the high end to $25, another trend in the industry was noted by a Heck's spokesman:

"Plastics are coming close to steel rideon price points. We sold 10-in. and 13-in. steel tricycles, which took off for us. We thought our inventory was sufficient at midyear, but it turned out not to be."

Target to Enter Ark. via Three Ex-Woolcos

LITTLE ROCK, Ark.—Target, already spread through 17 states, plans to add an 18th with its first three Arkansas units scheduled to open here this fall.

Target acquired the three stores from Woolco recently, when that chain decided to abandon the Little Rock market. The 80,000-sq.-ft. and 100,000-sq.-ft. Little Rock stores, and 100,000-sq.-ft. North Little Rock unit fit Target's two prototype store sizes exactly.

Target has scheduled extensive remodeling to begin in mid-March.

Margin Boost Offsets Dip in Turn

	1981	1980	1979	1978	1977	1976	1975	1971	10-year change	5-year change	'81 vs. '80
Dept. Size (sq. ft.)	2,500	2,500	2,550	2,650	2,600	2,500	2,500	2,200	+13.6%	NC	NC
Annual Turns	2.9	3.1	3.5	3.5	4.3	4.5	3.0	2.7	+7.4%	−35.5%	−6.9%
Volume per sq. ft.	$132	$129	$124.13	$120.32	$118.34	$122.58	$72	$69	+91.3%	+7.7%	+2.3%
Initial Markup	36%	35%	35%	34%	34%	34%	34%	32%	+12.5%	+5.9%	+2.9%
Gross Margin	30%	28%	27%	26%	29%	26%	27%	27%	+11.1%	+15.9%	+7.1%
Company-run	96%	96%	96%	96%	96%	96%	91%	81%	+18.5%	NC	NC

NC—No Change.

Source: DSN research

A 1981 downturn of nearly 7% in annual turns and a slight increase of 2.3% in volume per square foot from 1980 were offset by a boost of 7.1% in gross margins in discounters' sporting goods departments.

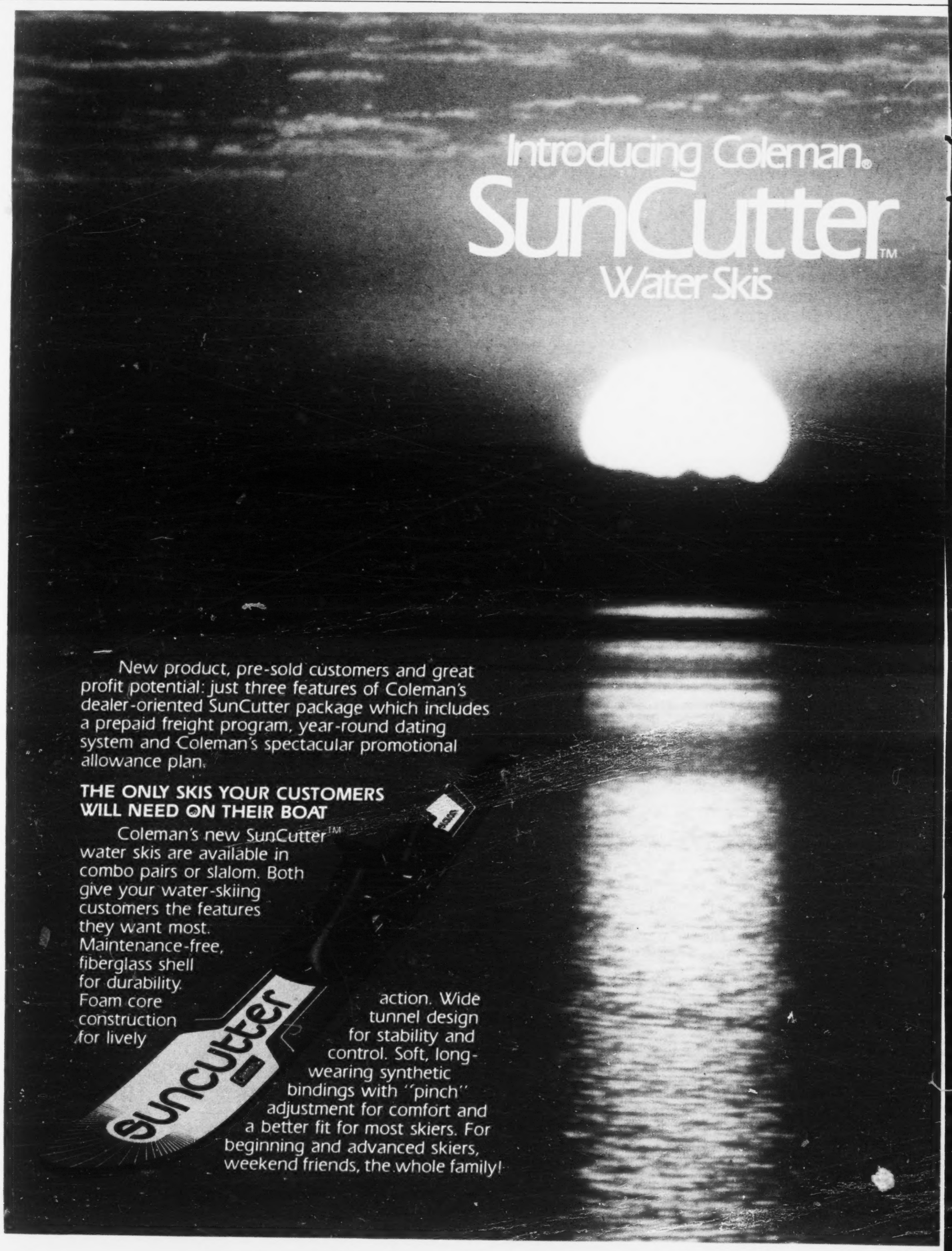
Discounters gave more shelf space during the spring months to the most popular categories such as exercise equipment, rod and reel sets and lawn games, and boosted gross margins with off-brand and import accessory items.

In most areas, discounters were able to hold their gross margin points, although in areas like combo fishing sets, discounters were willing to trade margin points for traffic.

Also visible in 1981—and expected to continue in 1982—was the steady trend among consumers to stay fit. As a result, fitness and indoor exercise items dominated fall sales.

Discounters upgraded their physical fitness merchandise mixes and invested in more sophisticated equipment, with slanted exercise benches leading the way.

The lawn game category also saw a trade-up trend as consumers leaned toward the higher-quality, higher-priced volleyball, badminton and tetherball sets.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Spring Car Care Buy-in: Pp. 25-30

Photo Mktg. Assn. Show: Pp. 31-37

Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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4 More Zayres to Hit Difficult Atlanta; Richway, K mart Entrenched Foes

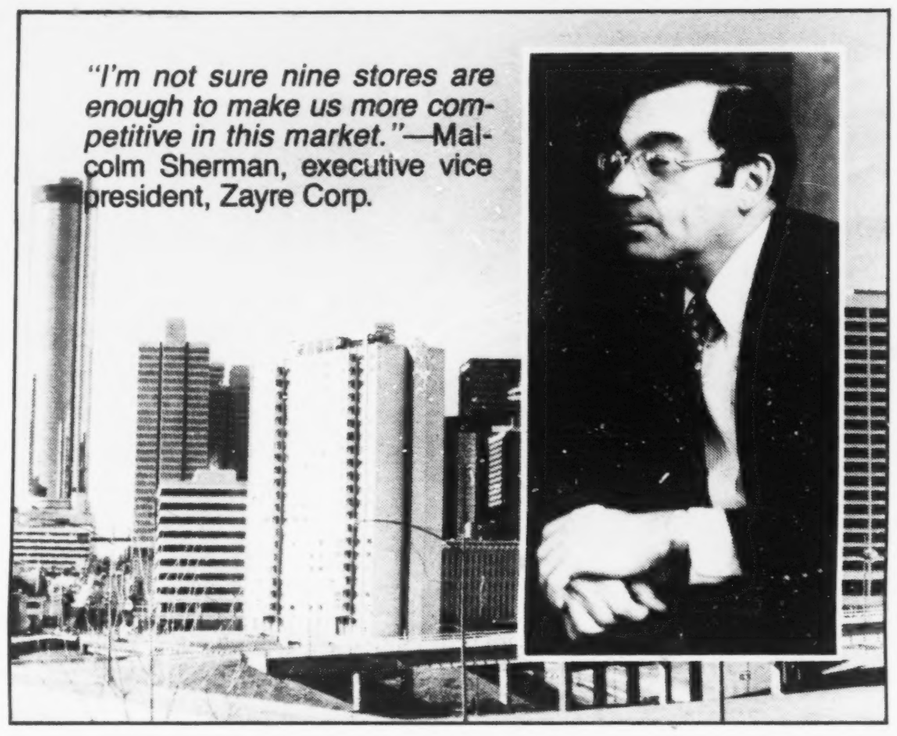
ATLANTA—The battle lines have been drawn and Zayre is on the offensive.

In a city that has forced several discounters to close their doors, Zayre is expected to complete its current five-store renovation and move into four new stores by this spring. But Zayre is not alone in its aggressive posture here.

The dominant chains, Richway and K mart, are adding two stores, and forging ahead with remodeling plans, respectively.

The question still remains, however: How hospitable will this Southern boom city be?

(Continued on page 42)



"I'm not sure nine stores are enough to make us more competitive in this market."—Malcolm Sherman, executive vice president, Zayre Corp.

Jefferson/Ward Gets New Look and Execs; Expansion Is Curbed

MIAMI—Major changes are under way at Jefferson/Ward, but the discounter's future remains unclear.

The chain continues to assemble a top management team, but its proposed expansion into 114 Montgomery Ward stores is being curtailed, with the parent company having already closed 33 of those units.

At the same time, Jefferson/Ward's current crop of stores in various Florida markets is getting a new look, with new fixtures, rearranged departments and refurbishings under way. Signs have started to sprout in those stores noting the units are being remodeled, and new merchandise is due to fill the empty shelves.

The serious out-of-stock condition was evident in stores in Florida and the Greater Philadelphia Area (where the refurbishing effort hasn't yet started).

Store sources contend that the restocking, to begin in the next few weeks, is a positive sign—part of Jefferson/Ward's redevelopment plans being put together by top management.

Other sources, however, look at it differently—they contend the lack of merchandise is one of the indications of Jefferson/Ward's uncertain future.

Jefferson/Ward's fortunes are intimately bound up with the destiny of its financially troubled parent, Montgomery Ward.

As another sign, those observers point to the $220 million equity contribution recently made to Montgomery Ward by its parent, Mobil. That financial infusion, on top of $355 million already pumped into Montgomery Ward, sharply reduces the retailer's debt burden and makes the company more attractive should Mobil want to sell it.

As for the Montgomery Ward stores previously targeted to be taken over by Jefferson/Ward, that move is up in the air.

Montgomery Ward has acknowledged that the Wards that had been "candidates for conversion" to Jefferson/Ward last year are now being described as "candidates for conversion or closing" and that 33 have already been shut.

Ward's clarification of the potential conversions has only clouded the situation at the dis-

(Continued on page 42)

Service Mdse. Buys 2 N. Calif. Kesslers

NASHVILLE—Service Merchandise has hit the acquisition trail to further its expansion in northern California.

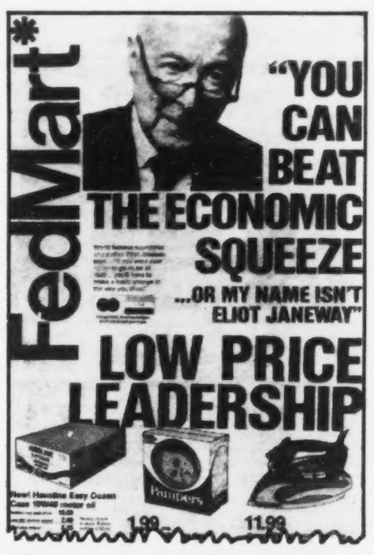
The cataloger purchased for an undisclosed amount of cash two Kessler units in the San Jose area. It will use its mini-showroom format in converting the stores to the Service Merchandise logo.

A standard mini-showroom prototype has been developed for newly built units. It will be used for the first time this fall in a 30,000-sq.-ft. showroom the cataloger is constructing in the Castleton suburb of Indianapolis. The versions used in recycled stores are based on plans already drawn up for Castleton.

Different Emphasis

Service Merchandise's mini-showroom format mainly features just catalog merchandise in a sample-only display in locked glass showcases. A few impulse, not-in-catalog items such as batteries are carried, while bulky items such as luggage and modular furniture are in open displays.

Service Merchandise previewed the mini-showroom format in an experimental store in Holyoke. That store had 10,000 sq. ft. of selling space on one floor of an enclosed two-story mall and a separate 10,000 sq. ft. of warehouse and a pickup station on the other level. (See *DSN*, Jan. 11, p. 21.)



Janeway Speaks For FedMart

SAN DIEGO—Eliot Janeway has become a FedMart spokesman.

A picture of the well-known economist and author appeared on the front page of the San Diego-based discounter's advertising supplement earlier this month. It was the first of a series.

Mull Hike in Minimum Salary For Exempt Supervisory Staff

WASHINGTON—Labor Department wage and hour regulators are considering plans to resurrect a "midnight" Carter Administration increase in the minimum salary requirements for thousands of discount chain assistant managers, department heads and other supervisory workers exempt from Federal overtime pay rules.

The specific options under consideration at the department now include hikes in the "white-collar" salary test levels which would prove even more inflationary than the original Carter Administration plan.

But at the same time, officials at the department's wage and hour division are also eying other changes in overtime pay exemption ground rules which could make these wage increases easier for discount chains to swallow.

The current regulations exempt certain "administrative" and "executive" employees from the provisions of the Fair Labor Standards Act which require that workers receive premium rate "time-and-a-half" wages for all hours worked beyond 40 per week.

But in order to qualify for such an exemption, workers must perform certain Federally specified supervisory duties and must be paid at least $155 per week.

That $155 ceiling had been in place since 1975, and last year, during their final days in office, Carter Administration officials approved a sharp 45% increase in this "white-collar" salary test level to $225.

Incoming Reagan regulators promptly suspended that hike in order to study its effect on the economy.

Although Carter officials originally estimated that the increase would add no more than $53 million to total United States labor costs, business groups—particularly those in

(Continued on page 4)

Digest

Feb. 22, 1982

Catalog Showroom News

- **David Weis is opening two showrooms—each of them to sport** its own apparel departments—in Greater Pittsburgh, bringing its store count there to five. (p. 5)
- **Under its new owners, the Albert Mathias Co., Joe Schwartz** Jewelers has given up its catalog in favor of flyers. (p. 5)

Housewares

- **Not everyone is happy about the latest round of manufacturer** rebates announced at the Housewares Show. Discounters cite problems at store level. (p. 11)
- ***DSN* takes a pictorial look at discounters' cookware depart-**ments. (p. 11)

Hardware

- **Despite greater gross margins in private label goods, many** discounters are steering clear of house brands in their hardware departments. (p. 14)
- **Mailbox sales are expected to flourish at Murphy's Mart,** Rose's and Danners, a result of the unusually harsh winter. (p. 14)

H&BA

- **Most discounters say they don't advertise cosmetics because** the ads won't pull. Not everyone agrees. (p. 20)
- **Even as upscale prototypes proliferate, discounters continue** to debate over the best location for their cosmetics departments. (p. 20)

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HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	TABLETOP			
1	115-S Pyrex Hurricandle	7,063	8.09	57,139.67
2	3216-32 Dimensions IV 16-pc st, Cinnamon	358	39.59	14,173.22
3	2020-16 Expressions 20-pc st, Strwbrry	210	66.59	13,983.90
4	2020-13 Expressions 20-pc st, Meadow	187	66.59	12,452.33
5	16-4 Corelle 16-pc st, gold	372	32.39	12,049.08
6	2020-12 Expressions 20-pc st, Indn Smmr	178	66.59	11,853.02
7	2020-7 Expressions 20-pc st, Wildflower	148	66.59	9,855.32
8	3216-33 Dimensions IV 16-pc st, almond	238	39.59	9,422.42
9	4020-71 Traditions 20-pc st, Harvest Home	178	49.49	8,809.22
10	4020-70 Traditions 20-pc st, Flirtation	154	49.49	7,621.46
11	108 Corelle med plate (4), white	717	8.54	6,123.18
12	16-N Corelle 16-pc set, white	192	30.59	5,873.28
13	16-6 Corelle 16-pc set, Woodland	172	32.39	5,571.08
14	3216-31 Dimensions-4 10-pc st, Citrus	139	39.59	5,503.01
15	16-1 Corelle 16-pc set, green	149	32.39	4,826.11
	MICROWAVE COOKWARE			
1	62304 Nordic Mircro-go-Round	1,872	50.39	94,330.08
2	62304 Nordic Bacon/Meat Rack	3,900	8.09	31,551.00
3	Rc101SP Raytheon popcorn popper	1,233	17.99	22,181.67
4	64104 Nordic 3-qt corn popper	1,163	17.09	19,875.67
5	MW-2 Corning browning grill	573	26.09	14,949.57
6	61604 Nordic lrg grill sheet	1,254	11.69	14,659.26
7	61104 Nordic Micro Bundt	1,788	8.09	14,464.92
8	PM469TI Anchor Hocking bcn rck	2,105	6.52	13,724.60
9	MW-A-10 Corning 10" cov brwng skillt	408	25.19	10,277.52
10	62704 Nordic baking dish	1,268	8.09	10,258.12
11	MW-360 Corning microwave set	156	44.99	7,018.44
12	61504 Nordic deep dish pan	740	9.44	6,985.60
13	61304 Nordic 4-qt covd stew pot	410	16.64	6,822.40
14	PM481TI Anchor Hocking 1-qt pan w/cover	1,092	6.02	6,573.84
15	P-150 Corning Grab-It Set (2) white	593	11.06	6,558.58

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	CORNING			
1	F-330-S French White 3-pc set	946	26.38	24,955.48
2	F-370-S French White 10-pc hostess set	349	51.29	17,900.21
3	A-500-8N Chef Master set Spice	175	75.59	13,228.25
4	F-15 French Wht 15-oz oval cass (2)	962	11.66	11,216.99
5	F-16 French Wht 16-oz round cass (2)	948	11.66	11,053.68
6	F-3 10" Pie/quiche, white	848	10.61	8,997.28
7	F-2 2½-qt ovl cass/ld, white	470	17.54	8,243.80
8	P-1420 Counter saver lg, white	348	22.49	7,826.52
9	A-3-8 3-qt Sauce pan, Spice	341	20.69	7,055.29
10	P1420-8 Counter saver, lg, Spice	270	24.29	6,558.30
11	A-10-8 10½" Skillet, Spice	328	19.79	6,491.12
12	F-1 2½-qt Rd cass/lid, white	348	17.54	6,103.92
13	P-1420-7 Counter saver lg, W/F	243	24.29	5,902.47
14	A-300-8 Starter set, Spice	129	44.49	5,803.71
15	P-43-8 petite set 2-pc, Spice	428	13.04	5,581.12
	PYREX			
1	440-49S 4-pc Mix bowl set A/Hrvst	2,501	12.59	31,487.59
2	704-S 4-qt Oval bake dish	2,358	8.54	20,137.32
3	440-61S 4-pc Mix bwl st Frst Fncy	1,552	12.59	19,539.68
4	440-80S 4-pc Mix bowl set Shndoa	1,552	12.59	19,539.68
5	233 3-qt Obl bake dish	2,678	5.39	14,434.42
6	2325-F Original 2-qt bake dish	857	16.01	13,720.57
7	6245-F Original 2-qt covd cass	857	16.01	13,720.57
8	200-S Sprout Farm Kit	1,573	8.54	13,433.42
9	234 4-qt Obl bake dish	1,746	7.55	13,182.30
10	2221-F-N Party Server 1	534	24.29	12,970.86
11	1212-S Mix N Bake set	1,114	8.99	10,014.86
12	300-80 3-pc Bowl set Shndoa	815	11.69	9,527.35
13	440-6-S 4-pc Mix bowl set Woodland	716	12.59	9,014.44
'14	516 16-oz Liquid measure	3,048	2.60	7,924.80

Source: Bacar, distributor, San Jose, Calif. (For Nov. 2 through Dec. 31, 1981)

Higher-end Dinnerware Still Tops

Although this Product Movement Audit covering the period of Nov. 2 through Dec. 31, 1981, may be inconclusive in spotting trends for 1982, it does supply some clues.

For instance, according to management at Bacar Inc., the distributor supplying the audit, Corning's higher-ticket Dimensions, Expressions and Traditions dinnerware sets continued to outsell the manufacturer's opening price point sets in Corelle among West Coast discounters.

The previously published audit, covering the entire year, indicated the Strawberry and Wildflower patterns in Expressions were the leaders. But, focusing on the last 60 days of the year showed that the top seller was Dimensions IV in cinnamon.

During the November-December period Strawberry ranked No. 3 and Wildflower took the No. 7 spot.

In Corelle sets, the leading color was gold; the runner-up was white.

But, in the tabletop category the obvious winner was not a dinnerware set. In dollar and unit sales, probably the No. 1 gift item in the housewares department was the Pyrex Hurricandle.

The entire microwave cookware category was a strong one during the Christmas selling period. And, as microwave oven users discover the list of products needed to fully utilize their ovens, sales in cookware will grow. In addition, cookware sales in the first quarter of the year will reflect the fact that many microwave ovens were sold this past Chirstmas.

During the period covered by the audit, the undisputed champion in the category, and one of the largest nonelectric cookware gift items during the whole fall season, was the Nordic Micro-Go-Round. The item ranked No. 1 in the previous audit for the entire year. And, it remained in the No. 1 spot for the November-December audit.

New to the microwave cookware audit was the Raytheon popcorn popper in third place.

In the Corning category, the French White line dominated the list of the top 15 items at the expense of Corning patterned products. Within the French White group, sets were, predictably, the leading sellers during the gift-giving season. But, the fluted European look of French White is expected to keep it the leader in Corning cookware on the West Coast.

Taking three spots on the Corning movement audit, and appearing for the first time, were the counter savers. This group has been growing in sales and has achieved a niche for itself in the Corning line distinct from sales in the manufacturer's cookware.

Appearing for the first time in the Pyrex lineup was the manufacturer's newest pattern, Shenandoah. Both the four-piece and the three-piece mixing bowl sets in the pattern placed among Pyrex's top 15.

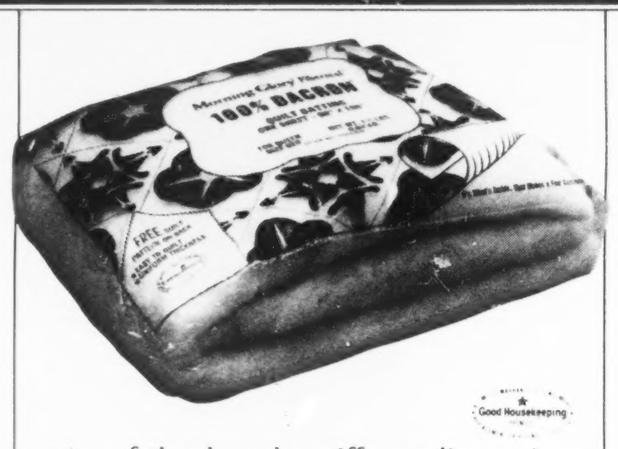
Morning Glory® Presents

The Great New Fiberseal* Dacron® Batt

Do your customers (and yourself) a favor, please: make sure you stock an ample supply of Fiberseal Dacron, the new super batt now available from Taylor Made/Morning Glory. Quilters everywhere are going to love it!

Hailed as a "quilter's dream" by a preview panel of quilting experts, this innovative product combines the best qualities of both bonded and unbonded batts. Like a bonded batt, it is easy to handle; like the unbonded, it is soft and fluffy and drapes beautifully.

Fiberseal batts are composed entirely of Dacron polyester sealed in a unique heat process without



any of the harsh, stiff acrylic resins used as a binder in bonded batts. Made in both comforter and quilt weights in all popular sizes, they are the latest addition to our complete line of cotton and polyester batting products.

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HARDWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	LAWN AND GARDEN			
1	SLR Temper 1 & handle, round pt shovel	427	6.67	2,848.09
2	SB14 Temper Bow rake	318	6.74	2,143.32
3	1521-50 color promo reinf ½ x 50'	350	5.87	2,054.50
4	500/501-50 Colorite vinyl hose	630	3.26	2,053.80
5	90 Melnor garden spray poly 2 gal	60	32.46	1,947.60
6	930-50 Color 3-tube sprinkler hose	340	5.45	1,853.00
7	61 Melnor rain osc sprinkler	288	5.48	1,578.24
8	21020 Signet 27 radial hose, 75'	99	14.79	1,464.21
9	1601-50 Color ⅝ nylon reinf hose	145	10.06	1,458.70
10	1975N R-L Tank sprayer galv, 3 gal	54	22.65	1,223.10
11	9560C Melnor pulse w/plastic spike	156	7.06	1,101.36
12	1973 N R-L Tank sprayer galv 2 gal	54	20.28	1,095.12
13	970C Melnor gun hose nozzle	760	1.39	1,056.40
14	9746 Vil vlk hedge trim 16" dbl	24	42.29	1,014.96
15	69 Melnor rain osc spklr br jet	84	12.00	1,008.00
16	SD-12 Cardinal garden glove 12DZP	5	192.09	960.45
17	5940 Paramount gutter clean access	61	15.22	928.42
18	21002 Signet rubber hose ⅝ x 50'	55	14.79	813.45
19	SL22 Tempr springback leaf rak	97	7.86	762.42
20	1603 SL-75 Color ⅝ all-weather	45	16.90	760.50
21	53C Melnor plas hand spray	384	1.94	744.96
22	5900/PB100 Paramount pro blower	14	52.82	739.48
23	21008 Signet supple hose ⅝ x 50	60	12.28	736.80
24	20398 Signet camper hose ½ x 50'	80	8.99	719.20
25	1501-50 Color ½ nylon reinf hose	95	7.23	686.85
26	RC24 Greenes trim fence 18" x 12'	80	8.55	684.00
27	RC15 Greenes garden fence 2' x 20'	48	13.84	664.32
28	6630-50 Color ⅝ rubber/vinyl hose	60	10.44	626.40

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	PAINT			
1	0013 Formby 32-oz furniture refinish	156	8.54	1,332.24
2	0015 Formby 8-oz lemon oil	636	2.04	1,297.44
3	64 Deft clear semigloss, 13 oz	282	3.17	893.94
4	0016 Formby 8-oz furniture cleaner	432	2.04	881.28
5	0011 Formby 64-oz furniture refinish	60	14.24	854.40
6	62 Deft clear semigloss	132	5.35	706.20
7	92 Defthane clear polyurethane satin gloss	40	17.59	703.60
8	0032 Formby intro to refinishing	66	10.56	696.96
9	61 Deft clear semigloss	40	15.31	612.40
10	88 Defthane clear polyurethane gloss	32	17.60	563.20
11	9304 qt C Tripp wood stain Amer Walnut	108	4.99	538.92
12	9304 pt C Tripp wood stain Amer Walnut	144	3.56	512.64
13	0014 Formby gal furniture refinish	20	25.62	512.40
14	0033 Formby 64-oz paint remover	60	8.54	512.40
15	1606 qt C Tripp clear fin gloss	90	5.40	486.00
16	0035 Formby 32-oz paint remover	96	4.99	479.04
17	9304 pt C Tripp wood stain Amer Walnut	204	2.33	475.32
18	103 Waterlox gym finish, gal	32	14.52	464.64
19	1613 Borden krylon semiflat black	180	2.43	437.40
20	91 Defthane clear polyurethane gls, 13 oz	132	3.19	421.08
21	95 Defthane clear polyurethane stn, 13 oz	132	3.19	421.08
22	63 Deft clear semigloss	114	3.69	420.66
23	1301 Borden krylon crystal clear, 13	168	2.43	408.24
24	1605 qt C Tripp clear fin satin	72	5.40	388.80
25	1606 ½ pt C Tripp clear fin gloss	156	2.48	386.88
26	XL89 qt Waterlox urethane satin fin	66	5.72	377.52

Source: Stem Distributing, Maple Heights, Ohio (For December 1981)

Bug Killers, Chemicals, Hoses Gain

As lawn and garden products begin to move into the stores, Stem Distributing's executives are focusing on the end of the selling season—and wondering how to lengthen it.

However, initial orders indicate the lawn and garden season of 1982 should be better than it was a year ago.

"Last year, many of our customers stopped ordering goods by May, which hurt us," reported Steve Plecko, lawn and garden buyer for the Maple Heights, Ohio-based distributor. "The season really gets under way in late March and April so the lack of May orders indicated that store stock levels were too high for our customers to reorder."

Areas which Plecko wants to improve on include long- and short-handled tools; patio items, such as barbecue tools, wheel covers and torches, and lawn sprinklers.

"We had poor results in our hand-tool selection and sprinklers, and while there wasn't a clear reason for the sprinkler dropoff, our hand-tool business decreased partly because of a categorywide price increase," said Plecko.

At wholesale, hand-tool prices went up 12% to 15% last year, about a $1.50 hike on the ticket of an item, Plecko noted. By the time the tool reached the stores, it had often increased $3 to $4. The net result was that consumers turned away from the well-known national labels in favor of less expensive tools.

The most recent PMA from Stem covers the 30 days ended Dec. 31, 1981. The top dollar mover on the audit was an SLR round-point shovel, which carried an average retail of $6.67. The No. 2 spot also went to a hand tool: a Temper bow rake with a total dollar movement of $2,143.32. Plecko takes that as a sign that last year's tool slump may be over.

Anything that had to do with garden hoses "sold like crazy" during December, and Plecko said this is one area where the figures show consumers are trading up from the lowest-priced hose on the shelf.

Movement was also strong in 14-in. and 16-in. diameter hose storage reels. Sales on the item were excellent last year, and Plecko expects them to do well.

Hoses finished fourth, sixth and eighth in total dollar movement.

In addition to garden hoses, Plecko was pleased with last year's results in electric bug killers and lawn chemicals.

"All three areas should be strong again in 1982," he said.

Chemical sales also rebounded last summer, after a softening during the previous two years when consumers initially responded to environmentalist warnings about the products and stayed away from them, particularly the sprays.

In paint, the top-dollar finisher was a Formby 32-oz. furniture refinisher. Sales are expected to increase as customers begin buying for the spring fix-up season.

HEALTH & BEAUTY AIDS

High End Makes Scents

Discounters achieved significant gains in fragrance sales during 1981.

According to Boston Distributors of Maple Heights, Ohio, the firm supplying this Product Movement Audit, fragrance sales went ahead by approximately 13% last year.

This audit, covering the period Feb. 2 through Dec. 4, 1981, showed the continuing dominance of Revlon's Charlie and Jontue in the women's fragrance category. Enjoli by Charles of the Ritz also continued to be a strong seller and took three places among the top 15 best sellers.

Although fragrances customarily stocked by the mass merchants captured almost all 15 spots on the PMA, designer and higher-priced fragrance lines gave a boost to total sales.

For instance, Nina Ricci's L'Air du Temps was a newcomer to the PMA and ranked No. 14. Diane Von Furstenberg's Tatiana also moved well but did not make the PMA.

Many discounters stock such high-end fragrances as Lagerfeld's Chloe and the Givenchy line when they are available through diverters, and movement has been brisk. The object of these additions to the assortment is to snare plus business from customers who do not ordinarily purchase fragrances in discount stores. The tradeoff is, of course, that gross margins on these items are usually thin.

In women's gift sets, Shulton's Cie captured a top spot, the No. 3 rank, for the first time.

Overall sets increased in sales last year with Faberge's Babe, Cie, Charlie and Jontue vying for top honors. The Babe set, priced at under $5, was the undisputed winner in unit and dollar sales.

Jean Naté continued to dominate the franchised bath products market, taking five of the top 15 rankings. The audit also shows that major-brand dusting powders outpaced sales in lotions and related bath items.

Love's Baby Soft line took only one PMA spot, No. 11, in the fragrance audit. But, according to Boston Distributors, the entire line has been performing well, primarily due to its appeal to young, particularly teenage, customers. Ancillary products such as talc, bubble bath and body lotion all contributed to the line's strong performance during 1981.

Boston Distributors also reported a strong pickup in sales of all ancillary products even where the manufacturers' advertising emphasis is on the fragrance items in the line. No. 1 among these ancillary products is body lotion.

Customers are expected to increase their comparisons of the value offered by, for instance, an 8-oz. body lotion selling for $10 vs. a 2-oz. fragrance selling for $10.

Their conclusion is likely to be that the lotion is more fragrance for the money, and there is also the added benefit of the moisturizing feature.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	WOMEN'S FRAGRANCES			
1	Charlie Spray Cologne 1.7 oz. #9116	11,041	8.65	95,505
2	Jontue Spray 0.6 oz #3434	16,278	4.85	78,948
3	Charlie Spray Cologne 0.4 oz #3437	12,903	4.88	62,967
4	Jontue Spray Cologne 2.4 oz #9103	3,632	9.21	33,451
5	Jovan Musk Spray Concentrate 2 oz JF994	3,631	8.85	32,134
6	Chimere Spray Cologne 0.75 oz # 380	5,655	5.55	31,385
7	Cachet Spray 1.5 oz #5138	4,270	7.33	31,299
8	Coty Wild Musk Natural Spray 1.5 oz #298	5,838	5.24	30,591
9	Enjoli Spray 0.5 oz #1305	7,301	4.05	29,569
10	Enjoli Natural Spray 0.6 oz #1325	6,498	4.27	27,746
11	Love Baby Soft Spray 1.75 oz #35608	5,223	4.91	25,645
12	Enjoli Natural Spray 1.25 oz #1300	3,988	6.33	25,244
13	Windsong Spray 1.4 oz #6297	3,389	7.36	24,943
14	Jovan Musk Oil Perfume #JF999 1/3 oz	3,585	6.70	24,020
15	L'Air du Temps 1.7 oz #7156	2,047	10.92	22,353
	WOMEN'S GIFT SETS			
1	Babe Splash & Deodorant #1080	8,001	3.84	30,724
2	Adventures With Charlie #1983	3,432	8.63	29,618
3	Cie #4438	3,512	7.72	27,112
4	Jontue Beautiful Cologne #9222	2,393	10.63	25,438
5	L'Air du Temps special #7208	1,968	12.46	24,521
6	Emeraude $15 value #9194	2,198	7.51	16,507
7	Windsong #4403	2,156	7.22	15,566
8	Cachet Spray & Cologne #4430	2,001	7.66	15,328
9	Jontue Two Moods #5389	1,771	8.41	14,894
10	Jean Nate Travel Essential #173	2,927	4.95	14,489
11	Babe #1079	2,908	4.91	14,278
12	Windsong Touch Up/Talc #4404	1,823	7.42	13,527
13	Jean Nate Private Moments #172	2,313	5.64	13,045
14	Windsong Bath #4409	1,441	8.74	12,594
15	Chimere 1.5 oz Cologne/Perfume #448	1,624	7.62	12,375

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	CHRISTMAS DISPLAYS: WOMEN'S FRAGRANCES			
1	Emeraude Basic Prepack Assorted #988-1	219	251.58	55,096
2	Cachet Christmas Display #4440	225	198.30	44,618
3	Windsong Christmas Display #4414	230	170.07	39,116
4	Enjoli Christmas Assorted #23012	233	153.48	35,761
5	Heaven Sent Christmas Assorted #3119	229	152.79	34,989
6	Jean Nate Christmas Assorted #21037	227	152.14	34,536
7	Senchal Introduction Deal #29003	137	266.67	31,054
8	Coty Wild Musk Spray Deal #986-4	5,268	5.35	28,184
9	Enjoli Stocking Stuffer Deal #23011	8,016	3.18	25,491
10	Chimere Christmas Display 4487	181	132.25	23,937
11	Coty Stocking Stuffer Assorted #990-1	7,557	3.13	23,653
12	Love Furry Friend Assorted #39216	3,888	5.83	22,667
13	Aviance Christmas Display Deal #04469	169	126.84	21,436
14	Jean Nate Perfume Dusting Powder #21036	3,300	6.49	21,417
15	Coty Wild Musk Ladies' Assorted 986-1	79	248.23	19,610
	FRANCHISED BATH PRODUCTS			
1	Jean Nate Splash 8 oz #11	3,850	3.58	13,783
2	Charlie Dusting Powder 5 oz #8598	1,388	8.46	11,742
3	Jean Nate Splash #00009 16 oz	2,156	5.40	11,642
4	Jontue Dusting Powder 5 oz #0020	1,336	8.40	11,222
5	Windsong Dusting Powder 8 oz #6097	1,331	8.42	11,207
6	Jean Nate Bath Beads 15 oz #46	3,882	2.51	9,744
7	Jean Nate Talc 4 oz #19	3,295	2.68	8,831
8	Jovan Musk Body Powder JF996	1,308	6.68	8,737
9	Cachet Dusting Powder 4 oz #5129	1,295	6.37	8,249
10	Cie Perfumed Body Powser #4258	849	8.83	7,497
11	Enjoli Dusting Powder #1505	946	7.66	7,246
12	Tabu Dusting Powder 4 oz #1404	1,610	4.44	7,148
13	Cie Body Lotion 8 oz #4280	750	8.47	6,353
14	Ambush Dusting Powder 4 oz #5404	1,401	4.45	6,234
15	Jean Nate Bath Powder 6 oz #20	1,386	4.48	6,209

Source: Boston Distributors, Maple Heights, Ohio (For Feb. 2-Dec. 4, 1981)

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5-Stop Route Can Be Driven 120 Ways

How to Hike Profits Through Vehicle Routing

By Stephanie M. Shern
Partner, Arthur Young & Company

Even though thousands of United States retailers operate private truck fleets, relatively few take advantage of opportunities for savings (and hence increased profits) which arise from the way they route their vehicles.

According to a new research study conducted by Mike Hooban and Bob Camozzo of the Washington office of Arthur Young, inefficient truck routing can add tens or even hundreds of thousands of dollars to distribution costs. For example, as Hooban and Camozzo point out, a route with as few as five stops can be driven in as many as 120 different ways. With six stops, the number of combinations hits 720, and with 10 stops, there are theoretically more than three million ways to drive the route.

Caught In a Squeeze

The major problem is that dispatchers rarely have the time—or sufficient information—to figure out routing changes that can result in real savings, yet even minor route changes can produce savings in mileage and running time. Here are two examples of how routing changes can result in big savings for retailers:

The first involves a large retail chain with outlets in several states. Trucks from the company typically visit four to six stores per day. In evaluating a recent set of delivery runs, it was determined that rearranging stops within existing routes produced a mileage saving of 11%, while very simple restructuring of the routes themselves provided an additional 3% saving. This process didn't involve major changes in delivery patterns, but was based on relatively minor changes in the order of stops.

Expenses Cut

A second example involves trucks delivering to an average of 15 to 20 stores in a large metropolitan area. Because a larger number of stops creates more possibility for improvement, the saving from reordering stops here amounted to 15%-20%. There was an additional 5% saving from exchanges of stops between different routes.

To develop improved routes and loadings, computer-based procedures can be used to identify optimal or near-optimal routes. Most such procedures, or "packages," also allow the user to specify restrictions on roads, delivery times, truck capacity, and other considerations. The benefits from such packages typically include reductions in mileage-related expenses, reduced overtime, improved service, and a need for fewer trucks.

Some earmarks of a situation in which automating the routing process is likely to be worth examining include the following:

- Gross annual transportation expenditures of $500,000 or more. This helps to assure a reasonable payback period for implementation costs, given reasonable savings from improved routing.
- More than five stops per vehicle per trip. This implies that the problem is complex enough to benefit from computerized route generation.
- Manual or quasi-manual routing procedures. Putting zones or a prespecified route order on the computer simplifies dispatching, but does not generally optimize routes. Procedures which do this involve special mathematical computations and do not merely replicate the dispatcher's approach.

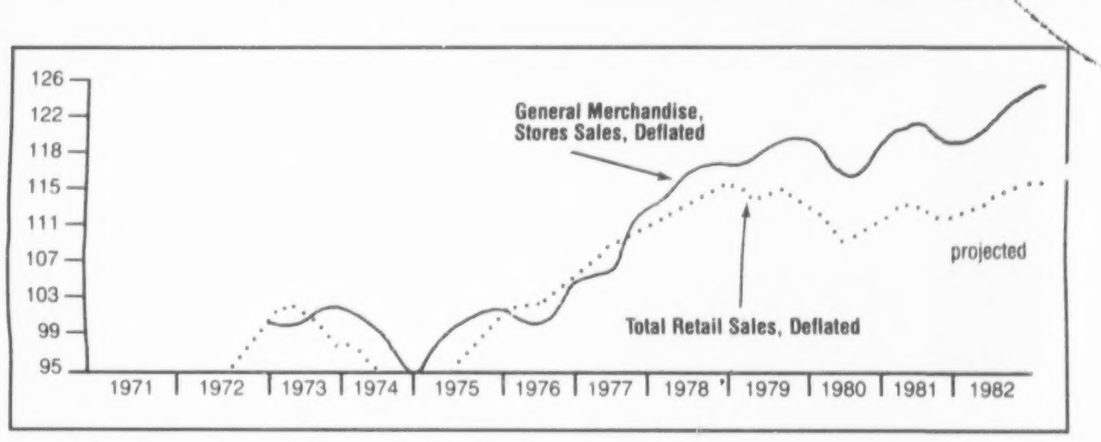
Another Attempt

It also helps if the retailer has significant numbers of side constraints, such as delivery time windows. As with number of stops, these add to the complexity of the routing problem and provide opportunities for the computer to improve on old routing systems—and provide additional opportunities for savings.

Stephanie Shern, C.P.A., is a former chairman of the New York State Society of Certified Accountants' retail accounting committee, for which she has conducted various seminars, and is a member of the board of the Metropolitan (New York) Retail Financial Executives Association. She is also a member of the National Mass Retailing Institute, the National Retail Merchants Association and the American Institute of Certified Public Accountants.

L/F Econocycle

Discount Sales Set For Midyear Comeback, New Year-end Peak



General Merchandise/Discount

	Sales Change By Quarter '81 1Q %	'81 2Q %	'81 3Q %	'81 4Q %	'82* 1Q %	'82* 2Q %	'82* 3Q %	'82* 4Q %	12-Month % Change 1980 %	1981 %	1982 %
Sales include Inflation	7.9	12.5	9.4	5.5	3.1	2.9	7.2	10.5	5.9	8.8	5.9
Real sales (Deflated)*	0.9	5.8	3.1	0.4	−1.8	−2.2	1.9	3.5	−1.5	2.5	0.3

Base = Nov. 1981 Sales
*Projected

Tight-fisted consumer spending patterns (chart below) are again acting as a mirror to the general retail sales curve—indicating that retail gains could match, but won't outrun 1981 results or levels, according to the latest Econocycle forecasts.

Coupled with a current downturn in the spending mood, in fact, general retailing is not expected to begin posting positive gains until midyear. The good news is that sales should begin nosing up through the second quarter, propelled by strong gusts in several key retail sectors.

Discount stores will pretty much match the general retail trend. After a tailing off that began in mid-1981, discounters are already reversing engines and improving their sales trends noticeably. Overall, the industry probably won't show any real gains until the third quarter, but a powerful sales surge should lift discounting to new volume peaks by year's end—well past 1980 highs, the L/F computer model now indicates.

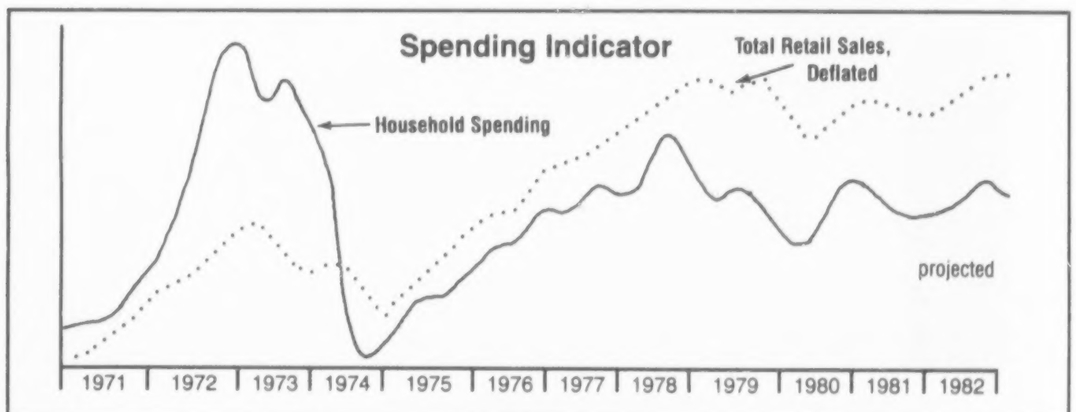
The L/F Econocycle forecast is for a 1% decline in sales (vs. 1981) in March—following a 2% dip in February.

For general retailing, the latest figures now indicate that fourth-quarter 1981 results were not quite as poor as previously forecast by the L/F model. Three months ago, Econocycle predicted a 0.2% fourth period increase. New figures bare an improved 0.4% gain in the still-to-be tabulated fourth quarter.

Looking further ahead, total retail sales will continue to decline through March, but at a slower rate (off 2% for the month vs. same-time last year). Then, sales should rebound with the spring "thaw."

The general retail sales trend will continue to improve over the next few months, thanks to assists from several key retail sectors:

- Supermarket and grocery sales figure to match 1981 gains during the first quarter, for instance, and, by year's end, food volume will again top prior-year stats.
- Apparel specialists and department stores are expected to post first-quarter gains—up to 2% higher than '81.
- And in food-service retailing (restaurants, fast-food outlets), the '82 comeback will pick up speed in the second quarter and really take hold in the last half, the L/F computer model indicates.



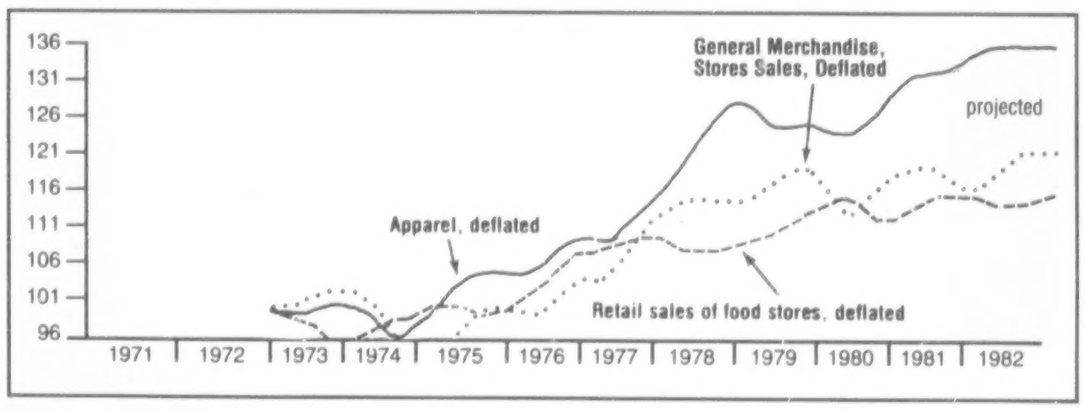
Sales/Include Inflation
% Change By Quarter

		Total Retail Stores	Food Stores	Eating & Drinking	Building Materials Hardware Stores	Drug Stores	Furniture & Appliance Stores	Apparel Stores	General Merchandise Stores	GAF Stores
1981	1Q	8.9	10.5	7.4	8.4	10.4	8.4	9.8	7.9	8.4
	2Q	13.6	10.7	11.4	15.2	10.3	9.0	8.7	12.5	10.9
	3Q	10.2	9.5	9.7	7.5	8.1	5.1	8.5	9.4	8.3
	4Q	7.4	8.3	6.6	− 2.0	4.3	3.4	7.9	5.5	5.6
1982	1Q*	5.3	8.1	5.8	− 4.8	4.6	3.0	3.8	3.1	3.2
	2Q*	3.6	8.1	5.3	7.1	4.6	9.5	6.2	2.9	5.0
	3Q*	7.0	8.6	9.3	16.6	6.0	10.9	6.7	7.2	7.9
	4Q*	10.3	9.5	11.3	16.5	6.7	8.8	5.9	10.5	9.1
% change 12 mos.	1980	6.4	10.8	8.7	− 3.2	11.9	4.7	4.6	5.9	5.4
	1981	9.9	9.7	8.7	7.1	8.2	6.4	8.7	8.8	8.2
	1982*	6.6	8.6	7.9	8.5	5.5	8.0	5.6	5.9	6.3

Real Sales (Deflated)*
% Change By Quarter

1981	1Q	0.7	− 1.4	− 2.1	− 1.2	0.2	2.2	5.9	0.9	2.2
	2Q	3.6	0.3	2.1	6.0	0.3	3.0	4.5	5.8	4.9
	3Q	2.2	1.4	0.6	0.8	− 1.7	− 0.4	4.1	3.1	2.6
	4Q	0.4	3.6	− 1.0	− 7.2	− 4.1	− 2.1	4.5	0.4	0.8
1982	1Q*	− 1.5	2.4	− 0.5	− 8.2	− 2.1	− 3.4	0.7	− 1.8	− 1.6
	2Q*	0.6	− 0.6	− 1.3	2.8	− 0.1	1.6	3.2	− 2.2	− 0.3
	3Q*	2.2	− 0.7	2.2	8.8	2.7	2.3	3.8	1.9	2.4
	4Q*	3.2	− 0.6	3.2	6.8	3.4	0.7	2.5	3.5	2.7
% change 12 mos.	1980	− 3.3	3.0	− 0.7	−12.4	2.5	− 1.4	0.1	− 1.5	− 1.2
	1981	1.7	1.0	− 0.1	− 0.5	− 1.3	0.7	4.7	2.5	2.6
	1982*	1.1	0.1	0.9	2.2	1.0	0.3	2.6	0.3	0.8

Base = Nov. 1981 Sales
*Projected



About Econocycle

The source for the L/F Econocycle index is the Econostat Applied Economic Research Unit of The Hague, Holland. This unit consults for Government and major corporations on three continents. Its projection techniques are based on the Econocycle System, a computerized system designed by the Econostat team of economists.

Because of the changing pace of inflation in the United States, retail sales figures in the L/F Econocycle projections have been adjusted to take account of inflation. All statistics are shown in *real* terms. The charts (above, facing) represent the trend cycle. The data has been seasonally adjusted and smoothed—and is updated each month. Source for current sales and the deflator series is the U.S. Dept. of Commerce.

Where an *Index Base* is indicated, all data is converted to index numbers, starting from a common base (= 100) in order to establish meaningful performance comparisons.

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Why Coan Lost Korvettes: Pp. 60-61

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Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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Former Giant Gibson's Eyes Comeback

H. R. Gibson Sr., founder of the sprawling Texas-based Gibson franchise chain, was one of discounting's most colorful figures. Known as a self-admitted country-style wheeler-dealer, Gibson built one of the industry's leading chains, with nearly 700 units and close to $2 billion volume, in a decade's time. What happened to the chain Gibson built? Some attribute its decline to his retirement, when he abandoned retailing for his controversial trade shows. Others say there was more to it.

This article is the first of a two-part series, tracing Gibson's chain from its origin to its uncertain future.

By Betty J. Taylor

He went into retailing in 1958 on a whim. By 1973, he had built a dynasty.

What remains of Herb Gibson Sr.'s empire, one which had 42 company-run units, nearly 700 franchises and $2 billion in sales in its heyday, is a skeletal organization of 250 franchised stores and a struggling, cooperatively owned distribution center in Dallas.

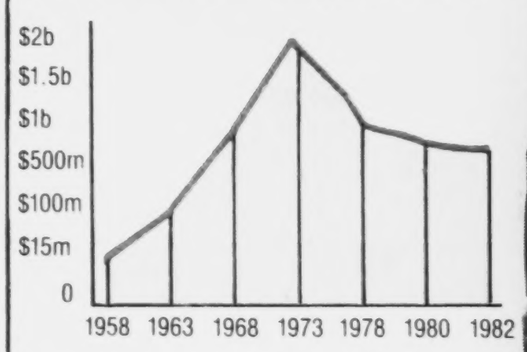
In fact, a good number of the franchised stores are now on the block and the future of the lifeline for nearly half of the franchisees—Gibson's Co-op warehouse in Dallas, a financially beset distribution center operated by the parent company until 1980—is in question. The last of the company-owned stores was disposed of in 1981.

But, Herb Gibson Jr., 46, now president of Gibson Discount Centers Inc., the parent company, says the loss of company-operated stores does not spell the end of the chain. What's more, he says, he plans to strengthen the skeletal franchise program and to aggressively solicit new members.

Most of the franchisees and many observers insist the death knell has sounded.

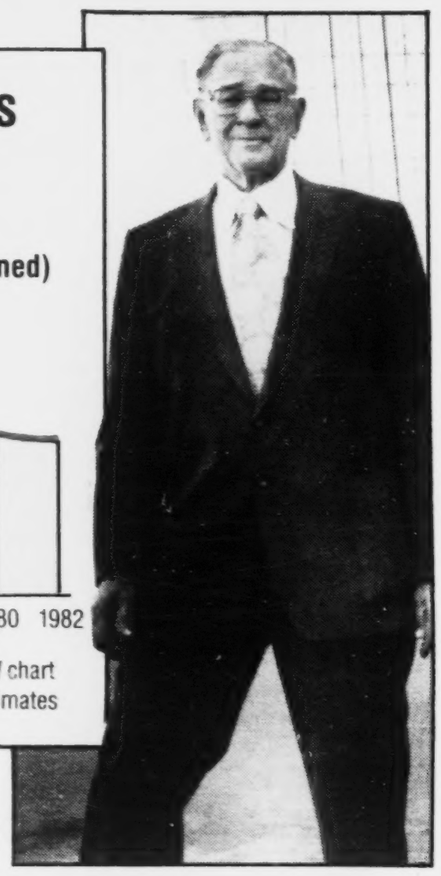
(Continued on page 71)

Tracing 24 Years of Gibson's Volume
(Franchised and company-owned)



b—billion
m—million

DSN chart
Source: *DSN* estimates



H. R. Gibson Sr., founder of the Gibson dynasty. *(DSN photo)*

More Dental Centers Will Be Taking Root In Discount Stores

Nationwide DSN Report

Leased dental centers are taking a bigger bite into discount stores industrywide.

K mart has been leasing out space in three of its Denver stores in a dental center test, and is now feeling confident enough to export the practice to other markets.

Zayre has opened nine dental centers within the last year—four in the last month—bringing the chain's total to a dozen, each averaging 2,000 sq. ft. with eight operating chairs.

Dental lessees in discount stores unanimously cite the high-traffic locations as a major factor in their choice to move into discount operations.

Lessees at K mart and Jamesway, among others, claim convenience is a key motivation for customers.

"One of K mart's objectives is to generate customer traffic," said Curtis Gudmundson, a franchiser who runs three K mart dental centers.

"We ran a survey which indicated that 63% of our dental customers were K mart shoppers while the other 37% came in because of the dental center," he added.

Dental centers in most stores run to 2,000 sq. ft., and both the pick-up in store traffic and a rent subsidy, which runs between three and four times the store's base rent per square foot, have made them particularly attractive for chains with oversized units.

Jamesway is planning to open dental centers in "a couple more locations" by year's end, and the chain's lessee, K & K Family Dental Centers, just opened its fourth unit in January. K & K operates three 2,200-sq.-ft. units and one 2,500-sq.-ft. unit, with six- and eight-chair capacity, respectively.

Dr. Robert King, co-founder of the centers, said he plans to add two or three units this year and noted that the clinics needed 50-plus patients a day to be profitable.

K mart dental operator Gudmundson said his centers each bring in 125 new patients per month, several times the growth rate of a traditional den-

(Continued on page 83)

K mart Denounces Price-Control Drive By Justice Department's Antitrusters

By Ken Rankin

WASHINGTON—Discount store industry leaders have opened fire on Reagan Administration antitrusters in charge of the Justice Department's campaign to curtail enforcement of the Federal ban on resale price maintenance.

The latest salvo came from top guns at K mart who charged that Justice Department antitrusters "went too far" in characterizing the nation's discounters as "free-riding" retail parasites who skim sales from full-service "dealers" by cutting prices.

The FTC has dropped half-a-dozen probes of alleged resale price maintenance schemes. See Washington Beat, p. 5

"Any wide and unthinking adoption of a 'free-rider effect' notion for a wide variety of types of products and services could turn the nation's distribution system backward," K mart government affairs vice president Robert Stevenson charged in a letter to Assistant Attorney General William E. Baxter. "In K mart's case, we try to offer economy to consumers of all types without any 'free rides' of any kind."

K mart's blast is the latest in a fresh series of industry protests against the reluctance of Reagan antitrusters to prosecute suppliers who impose coercive fair-trade restrictions and other vertical trade re-

(Continued on page 83)

The Last of Two Guys' Stores Passing Into Discount History

GARFIELD, N.J.—It's all over for Two Guys.

Parent Vornado quietly shuttered the six New Jersey units last month and at presstime was winding down going-out-of-business sales in its six remaining stores: five in the Baltimore market and one in Lancaster, Pa.

One executive claimed it would have taken too long for the dozen stores—all that remained from the chain's peak of 82 just five years ago—to become profitable after Vornado completed its reconciliation of the discounter's accounts with vendors.

Even if the dozen stores could have become profitable, trade observers said that "the end" was spelled out for Two Guys in 1979. That's when realtor Interstate Properties made its move on Vornado, parent of the pioneering discounter, arguing that the company was worth more as a real estate operation than as a retailer.

Interstate, in a bitter proxy fight that targeted board chairman Frederick Zissu as being responsible for the discounter's "poor performance," elected three directors as the opening salvo in taking over Vornado.

(Continued on page 84)

Digest

March 8, 1982

Hardware

- **Hardware buyers get ready for back-to-school with earlier** promotion of batteries and padlocks—two categories that are expected to do well in 1982. (p. 6)
- **Discounters say that if wall decor programs are going to succeed** stocks have to be broad and deep. Wal-Mart is discontinuing mirror tiles and Flair Squares. (p. 6)

H&BA

- **After a six-month test of H&BA and pharmacy, West Coast** cataloger Sam Gold has decided to get out of the business. (p. 13)
- **Discounters are focusing on hair care, adding higher-priced** accessories and large-size shampoos—even up to 32 oz.—to their H&BA departments. (p. 13)

Housewares

- **Nils Pedersen, merchandise manager, Zayre, reports that his** trip to the Milan Furniture Show was a success—on more than one count. (p. 19)
- **KD furniture is looking better and gaining more and more** consumer acceptance. Rose's, Zodys and Wal-Mart are beefing up assortments. (p. 19)

Specialty Discounters

- **Federated expects to add a specialty chain, The Children's** Place, after a court battle with the latter's shareholders. (p. 59)

State taxes threaten retailers. (p. 62)

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4 of Top 6 Discounters Have Hot January

Nationwide DSN Report

January turned into a moderately good cleanup month for discounters, generally, with four of the country's top six chains posting double-digit sales gains from the previous January.

Most chains outpaced January's results with 52-week gains from the previous year, a year which saw K mart gain more ground on Sears as the country's top-volume chain.

This year, K mart was an exception to the general trend, with bad weather during the second half of January pulling down "the very good sales pace of the first half," according to chairman Bernard Fauber.

Woolco reportedly weathered a tough year. Domestic sales at F. W. Woolworth decreased 1% in January, despite strong sales in specialty stores. Domestic sales increased 5.5% for the 52-week fiscal year.

Woolco's volume will not be broken out from domestic sales until April, but a financial analyst at Goldman Sachs projects same-store sales will be flat or decreased for at least six of the 12 monthly reporting periods.

Wal-Mart led discounter sales gains both in January and during the year. Though Target's monthly gains were sometimes greater on a percentage basis, much of the year was unusually inflated by volume from the acquired Ayr-Way stores. Target's 52-week volume (preliminary figure) of $2 billion put the chain 22% ahead of year-before sales. January sales gains were 17% ahead of the previous January.

Excluding sales of $21 million in January and $180 million yearlong, both derived from the acquired Big K stores, Wal-Mart's gains were 22.7% in January and 37.6% for the year. In same-store comparisons, growth was 9% in January and 15% for the 52 weeks, Wal-Mart controller Charles Self reported.

Elsewhere in the industry, Venture's 9% same-store sales gains for the 52 weeks ended Jan. 30 were the highest of parent May Department Store's major operating groups. Venture's January sales gains also led the parent company's groups in gross dollars gain and percentage gain, in what is seen as a turnaround year at the St. Louis-based chain.

$ Sales (millions)

Chain	4 Weeks Jan. '82	4 Weeks Jan. '81	4 Weeks % gain	52 Weeks Ending Jan. '82	52 Weeks Ending Jan. '81	52 Weeks Ending % gain
Sears Roebuck	1,194.0	1,125.0	6.1	19,674.0	18,120.0	8.6
K mart	981.0	836.9	17.2	16,528.0	14,204.0	16.4
Wal-Mart	173.0	119.0	45.4	2,440.0	1,643.0	48.5
F. W. Woolworth*	353.6	357.9	(1.2)	7,212.0	7,078.0	1.9
Zayre	78.1	69.0	13.2	1,797.0	1,556.0	15.5
Venture	33.0	31.1	6.4	611.3	560.9	9.0
Murphy's Mart	27.1	25.8	4.7	495.7	463.0	7.1
Gold Circle/Richway**	30.3	28.4	6.9	640.3	575.6	11.2

*( ) loss. *Corporate total. **Discount divisions of Federated Department Stores*

G. C. Murphy, another company which has been slowly turning around, was also led by its 106-store discount arm, Murphy's Mart. Murphy's Mart's January sales were up 4.7%, while sales declined

(Continued on page 84)

Service Joins Best In $1-Billion Club

NASHVILLE—Service Merchandise has become the second cataloger to exceed $1 billion in sales.

Company volume in the fiscal year ended Jan. 3 hit $1,027,-093,000, an 18.7% jump from $865,017,000. The net earnings increase fell slightly behind the sales gain, showing a 13.1% boost to $23,069,000 from $20,-389,000.

The cataloger joined Best Products as the only two showroom chains with $1 billion each in sales. Best was the first to reach the $1 billion mark, with $1,002,037,000 in sales in the fiscal year ended June 27, 1981.

Service Merchandise's sales increase came as the cataloger last year had a net gain of eight units: four showrooms and four The Toy Store specialty stores. The new showrooms that boosted its count to 116 (there are now six toy stores) included an upscale 60,000-sq.-ft. store in Novi, Mich., and an experimental scaled-down, 20,000-sq.-ft. unit in Holyoke, Mass.

The Novi and Holyoke showrooms have become the models for the eight Service Merchandises already scheduled to be opened this year. Two of these are acquired 20,000-sq.-ft. Kessler showrooms in the Greater San Jose, Calif., market, which debuted last month.

Besides those two stores, the mini-showroom format will be used in three other units: a 28,000-sq.-ft. store in Louisville, Ky., a 30,000-sq,-ft. showroom in the Castleton suburb of Indianapolis, and a 32,000-sq.-ft. showroom in a new wing being added to the Southtown Mall in Fort Wayne, Ind.

Novi is the prototype for the upscale look that will be used in a former 54,000-sq.-ft. Ontario discount store in Columbus, Ohio; a 60,600-sq.-ft. unit in Mehlville, Mo., which marks the cataloger's debut in the St. Louis area, and a 62,700-sq.-ft. showroom in the New York City suburb of Hartsdale, which is a carryover from last year.

Service Merchandise's eight new showrooms are the most that any cataloger has projected for 1982. This growth reflects commitments for showrooms made in the past year and the cataloger's eagerness

(Continued on page 82)

Murphy's MART
NEW! FROM ATARI®
BE THE FIRST TO HAVE THE NEW...
PAC-MAN
ATARI GAME CARTRIDGE
$5 DOWN
WILL ASSURE YOUR CARTRIDGE
FROM OUR 1ST SHIPMENT
SEE OUR COMPLETE LINE OF ATARI CARTRIDGES AT DISCOUNT PRICES!

Murphy's Mart Jumps the Gun

Murphy's Mart may be the first discounter out of the gate with Pac-Man. The Pennsylvania-based chain got a jump on its competitors by promoting the not-yet-released Atari version of the country's favorite arcade game in January. Newspaper and radio ads advised customers a $5 deposit would reserve one of the cartridges in the discounter's initial shipment, expected at the end of March.

Complicated Electronic Games Seen Wave of the Toy Future

NEW YORK—Sophisticated electronic games will be the wave of the toy future, as 58% of retailers and 89% of suppliers look to the adult market as an untapped growth area.

These findings, results of a study on electronic games and toys by research firm Frost & Sullivan, show that retailers and suppliers alike look to cartridge and programmable cartridge games to lead growth in the toy department through 1983.

Upward Spiral

Electronic games already account for 17% of total toy sales at general merchandise chains, the study found, and chain headquarters respondents expect cartridge electronic games to grow 36% for each of the next two years, while programmable games grow by 24% a year.

The strength in electronic games "lies almost exclusively in video products," the analysis noted, adding that "the electronic educational/teaching aid market is expected to grow moderately and is expected to be the strongest selling of non-video electronic games."

Significantly for discounters, suppliers questioned about market share of retail outlets mentioned discounters/mass merchants most frequently as the group to increase market share in the future, followed by specialty toy chains and catalog showrooms, while drug stores, mail order operations and department stores are expected to lose market share.

(More than 74% of the toy manufacturers questioned sell through discount stores, while only 58% sell to specialty toy chains.)

In profiling the total toy market, the study found a 9.1% compound annual growth rate from 1967 to 1980, while there was a 10.5% real growth annually from 1976 to 1980. Per-capita toy expenditures were $30.75 in 1980.

Falling far below the growth expected for cartridge and programmable cartridge electronic games, the following growth rates are expected annually between 1981 and 1983, according to the study:

Games and puzzles, 18.7%; dolls and accessories, 11.3%; plush, 7.7%; preschool, 9.5%; wheel goods, 3.6%; toy cars, boats, planes, 5%; infant toys, 4.7%; hobby, crafts, models, 7.7%; outdoor activities, 5.5%.

Bradlees' Test Store Narrows Gap With Conventionals

HINGHAM, Mass.—With the innovations tested in the housewares department of its 10-year-old store here, Bradlees has further narrowed the gap between itself and conventional department stores.

Today, six months after the test began, executives at the chain have termed the experiemnt a success and a major contributor to the store's better-than-20% increase in total sales.

The new approach will be incorporated into six new stores slated for opening or remodeling during April and May, and some combination of the Hingham innovations will gradually be added to the housewares departments throughout the chain. The track lighting, new checkout register and overhead canopies evident here are still being considered for chain-wide rollout.

At the heart of the new plan is a dramatic reduction in the number of gondola run presentations. Those runs remaining have been upscaled with slatted wood, or, in some cases, mirrored backings, instead of traditional pegboard.

In fact, James Hyman, vice president, gmm for hard lines, envisions a gondola-less store emerging in the not too distant future.

The Hingham changes in housewares, according to Hyman, were designed "to build sales in merchandise categories presenting the greatest gross margin opportunities."

Simultaneously, Bradlees intends to reduce dependence on areas such as disposables, traditionally viewed as traffic draws but offering lower gross margin potential.

"We saw where department stores were headed, toward a highly decorative home business at far higher prices," said Hyman. "This gave us an opportunity to move into higher price points. But, to do that, we had to do for the home area what we did for apparel in terms of ambience and fixturing."

Plans for the new housewares/home furnishings department—expanded from 9% to 12% of the 72,000-sq.-ft. store's selling space—took shape after extensive examination of how merchandise was presented at such specialists as Conran's and Crate and Barrel.

(Continued on page 74)

Clear glass is part of the decorative kitchen area. Bulk merchandise is displayed in a showcase with recessed lighting. Boxed sets are bulked on platforms with a pedestal table used to display samples.

Last Dozen of Two Guys Stores Are Shuttered

(Continued from page 1)

A year later, in April 1980, Vornado's two major stockholders, Zissu and Laura Hubschman, widow of one of the founders of Two Guys, who lost her board seat in the 1979 proxy fight, signed a peace treaty with Interstate, giving the latter effective control of Vornado.

Vornado needed to reconcile Two Guys' accounts with vendors as a result of the discounter's highly successful $100 million liquidation sales held in 33 stores that were finally closed in December 1981.

Company executives claimed at that time that the remaining 12 stores would remain in operation. Straightening out accounts with vendors would have been part of the effort to develop a profitable financial and merchandising program for the remains of Two Guys.

The liquidation was run by Two Guys, with outside consultation efforts from Alco Enterprises. Sources reported that Two Guys received about $8 million more than expected from liquidation, obtaining about 62¢ on the (retail) dollar for the merchandise sold.

The discounter stopped payments to manufacturers while the reconciliation was being carried out, with the result that the dozen stores had little new merchandise. A few manufacturers did ship during this period and some vendors' accounts were quickly reconciled, so that these suppliers resumed shipping.

But the net result, one company official said, was that it would have taken too long for the dozen stores to become profitable once they were fully restocked.

Two Guys closed its six New Jersey stores because they were part of the liquidation sale promotion, although those units—in Union, North Bergen, Jersey City, Kearny, Lodi and Toms River—were identified as remaining open after the liquidation.

After making this pledge, running another liquidation sale in the six stores would have destroyed what little value was left for the Two Guys name.

The five Baltimore units and one Lancaster store weren't involved in the liquidation sales last year, so the final GOB effort was held in those units.

The final liquidation was also limited to those six stores because of the small amount of merchandise and poor assortments that remained after the GOB sales in the 33 stores.

Two Guys' remaining dozen merchandising executives handled this sale. They are to be paid a bonus for closing the stores.

The other key staffers at Two Guys headquarters in Garfield are Interstate employees who are now on Vornado's payroll, joining Steven Roth, one of the realtor's general partners, who has been chairman of the executive committee of Vornado's board since 1980, earning about the same salary as chairman Zissu.

Roth was elected to Vornado's board as a result of the 1979 proxy fight, along with Interstate's two other general partners, David Mandelbaum and Russell Wright Jr.

Wright reportedly is now on Vornado's payroll, involved in leasing and/or selling Two Guys sites. The other Interstate employees that have been shifted to Vornado are also engaged in this effort.

The economy and the protracted nature of real estate negotiations have, so far, resulted in few deals for the Two Guys sites. The discounter's store in Newark, N.J., is reportedly going to that city for municipal use, while portions of one or two Two Guys in the Rochester market are to be used for Marshalls' apparel specialty stores.

While Roth is one of three general partners of Interstate, one source said that the conversion of Two Guys from retailing to real estate is a Roth operation, with the realtor mainly the investment vehicle for taking control of Vornado.

Interstate itself has cut back its real estate development activities because of the high interest rates, having sold its Reading, Pa., shopping center, leaving the developer with six operating centers.

The successful conversion of Vornado into a real estate company will depend on the state of the nation's economy and the specific nature of each site, specifically as to whether its greatest potential is for retailing or for industrial or residential use.

Wall Street at presstime had great faith in the transformation of Vornado. The price of the company's stock remained stable, even though the firm doesn't have any significant source of income beyond its three Sutton Place catalog showrooms and the rentals from the leasing of about a dozen ex-Two Guys stores in the Greater Philadelphia market to Jefferson/Ward.

That faith reflects both the Two Guys sites still owned by the company and property in a land bank that was first started by the founders of the discount chain.

The exact stores owned by Vornado and its land holdings haven't been publicly detailed.

Interstate, when it launched its proxy fight in 1979, noted that Vornado's stated book value was $28 per share (while the stock was trading around $16).

Vornado's stated book value for 1980, the last available year, was $26.44. It lost about $7 a share subsequently, so that its stated current book value would be lower. The stock has held at around $14 a share, a sign that investors and stock analysts believe its book value is higher than that price.

One analyst noted that the stock's price and the company's book value don't really tell what Vornado is worth, as its value is its sites and land, and the potential for development of this property.

These "Two Guys From Harrison," Sidney (left) and Herbert Hubschman, founded the one-time 82-store Two Guys chain that is closing its doors permanently. *(DSN photo)*

Two Guys Co-founded By Discount Pioneer

GARFIELD, N.J.—Two Guys was cofounded by Herbert Hubschman, one of the pantheon of early discount pioneers that included such names as Gene Ferkauf, Steve Masters and Marty Chase.

It all began in 1947 in an 800-sq.-ft. converted diner in Harrison, N.J., where Herbert and Sidney Hubschman, with a shoestring capital of $28,000, began to sell TV sets—a hot classification in the years immediately following World War II.

Two years later, Frederick Zissu arranged the merger of that Two Guys with a New York City store, Windsor Fifth Avenue, and in so doing started his climb to the company's chairmanship.

The discounter's first major expansion occurred in 1954 when three 20,000-sq.-ft. stores were opened in Watchung, Totowa and Woodbridge, N.J. These stores and subsequent units were basically lessee-run.

Vornado got into the act in 1959, when the fledgling Two Guys was merged with O. A. Sutton Corp., manufacturer of Vornado appliances, and that name became the name of the new corporation.

Vornado grew steadily in the boom-boom late 1950's and 1960's, acquiring the ownership and management of its leased departments until almost all the sections were company-run.

The first move outside of New Jersey took place in 1957, when a Two Guys was opened in Pennsylvania, to be followed by units in Maryland, New York, Connecticut and Massachusetts.

Herbert Hubschman, who was head of the company, died in 1964 and Zissu, who was co-trustee of the Hubschman family holdings in Vornado, took over as chairman. Murray Siegel remained as president until his death in 1971, when Zissu also became chief executive officer.

Vornado's major expansion took place in 1967, when it acquired Food Giant, Unimart and Builders Emporium stores in California, only to sell the Unimart discount stores to Beck Industries in 1969.

Two Guys opened its own discount stores in California in 1969 and reacquired the Unimart stores from Beck in 1970, remerchandising them as Two Guys.

The East Coast Builders Emporium operation was launched in 1972.

The move West and the thrust into home centers ended in 1978 with the sale of those stores.

Interstate Properties, in a proxy fight, directly traced the "decline of Vornado" to Zissu's management, starting in 1972, when he held all the power. That proxy statement added: "Notwithstanding Vornado's performance since he [Zissu] became chief executive officer, Mr. Zissu has been, in Interstate's opinion, handsomely and increasingly compensated for his services at a time when stockholders have received no cash dividends or distribution."

Vornado temporarily paid a dividend during the period when Zissu was battling to retain his control.

The proxy statement noted that Zissu's salary had gone up, and his employment contract extended while Vornado's income from continuing operations had dropped and finally became a loss in 1977, a year before Interstate made its takeover move.

The peace treaty signed in 1980 maintained Zissu's status and income—not less than $245,000 plus a percentage of any pretax operating profit—while giving Interstate—and particularly Roth—control of the company.

4 of Top 6 Discounters Have Hot Jan.

(Continued from page 3)

14.3% at the company's 329 other stores. Combined corporate volume declined 3.6% in January. Yearlong, the 7.1% sales gain in the Murphy's Marts contributed to a corporate volume gain of 1.8%.

Much of the year's real measure will come when corporate earnings are tabulated in a few weeks. Federated Department Stores has already warned stockholders that sales—11.2% ahead at Richway and Gold Circle combined—have come in an extremely promotional atmosphere.

SCOA Industries, parent of Hills, said preliminary information indicated an earnings decline would be reported for the fourth quarter.

Federated closed its Gold Triangle mass merchandise division in December, with sales at that point running 8.9% behind the previous year's.

Goldman Sachs Research projected a 17.9% drop in fourth-quarter earnings per share at K mart, a 7.9% increase at SCOA Industries, a 25.4% jump at Zayre and a Wal-Mart growth of 38.7%.

Arthur Charpentier, C.F.A., at Goldman Sachs, projected a same-store sales growth of 11% at K mart, and attributed the projected earnings decline in the fourth quarter to an after-tax LIFO charge. FIFO earnings, which some analysts feel more accurately reflects performance, are expected to be flat year to year, while an increase in borrowing during the tough third quarter will almost double interest expense at the chain, he said, to $34 million from $19 million last year.

Charpentier is bullish on Wal-Mart, pointing out that the chain's projected openings are historically low, and he expects the 60 units Wal-Mart plans to add this year will more likely be 65-70. Because some Big K stores will be expanded (as well as some smaller Wal-Marts), total square footage at Wal-Mart may grow by 17%-18% in calendar 1982.

Charpentier expects earnings for the current fiscal year to rise 40% at Wal-Mart.

King's

(Continued from page 2)

are expected to remain smooth for the time being.

KDT has been in negotiations with its several long-term lenders and at one point in mid-February it appeared a financial restructuring of King's parent was being readied. The default notice, however, was delivered before any agreements were met.

In several of its stores, King's has posted open letters to its shoppers.

The letter, which was signed by regional directors, said to consumers that King's is taking a "courageous" step in cutting back the number of stores it has.

The letter also said the chain was "slimming down" in order to "shape up for the 80's." Without lender support, however, King's may end up slimmer than originally anticipated.

K mart Net Expected To Take 19.3% Drop

NEW YORK—K mart's net income is expected to drop 19.3% in the just-completed fiscal year, in a projection made by Goldman Sachs analyst Arthur Charpentier.

He expects net income to be near $210 million, compared to $260.5 million in the previous fiscal year.

Charpentier is optimistic about 1982, however:

"We forecast a 14% sales increase, about 10% from comparable stores and 4% from new ones, and we think expense growth can be held near 12%. Fewer store openings will help, as will efficiencies gained through implementation of the new computer-integrated electronic ordering system."

K mart's switch to fewer new store openings (expected to be 75 to 90 this year compared to nearly 170 last year) will aid lease-related debt, while remodeled stores in Indianapolis are reportedly experiencing 20% sales gains and near 50% increases in profitability. Nearly 1,400 apparel departments are to be redone in the new look this year.

"K mart's expenses grew faster than its sales in eight of the 11 years between 1970 and 1980, which was both a cause and effect of the deterioration in operating profitability," Charpentier said. "In 1981, sales grew faster than expenses—we expect—and we anticipate the same pattern in 1982 and 1983."

HARDWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	BLACK & DECKER			
1	8124 Shrub/hedge trim deluxe	577	37.51	21,643.27
2	8115 Hedge trimmer 13"	584	29.01	16,941.84
3	9330 Dustbuster	540	30.35	16,389.00
4	7127 3/8 Drill var speed rev	536	24.71	13,244.56
5	7308 7¼ Circular saw	329	33.07	10,880.03
6	8201 Line trimmer 7" util	362	18.01	6,519.62
7	7600 Router 5/8 HP ball bearing	183	33.36	6,104.88
8	7190 3/8 Drill v/s rev lock	162	34.41	5,574.42
9	8204 Line trimmer, 9"	179	27.22	4,872.38
10	7404 Sander dbl/ins	199	24.42	4,859.58
11	8251 Cuttr 10" command feed	91	52.91	4,814.81
12	7504 Jig saw dble/insul	309	15.46	4,777.14
13	7104 3/8 Drill dble/insul	263	18.01	4,736.63
14	7004 ¼ Drill dble/insul	300	13.88	4,164.00
15	7580 Jig saw variable speed	132	24.91	3,948.12
16	8288 Grass shear cordless	124	25.13	3,116.12
17	79-025 Hobbycrafter Workmate	130	23.76	3,088.80
18	79-009 Workmate 27" dual ht	31	85.25	2,642.75
19	7530 Jig saw 2 speed	111	21.93	2,434.23
20	7254 ½ Var speed rev drill	47	49.66	2,334.02
21	79-020 Bench top Workmate	57	39.72	2,264.04
22	7901 5" Bench grinder	58	38.96	2,259.68
23	71-010 10-pc Drill bit set	285	7.90	2,251.50
24	71-013 13-pc h/s Drill set	187	10.52	1,967.24
25	79-003 Workmate single htg	36	53.13	1,912.68
26	7390 7¼ deluxe Circ saw	37	46.55	1,722.35
27	7962 Random orbital polisher	30	44.26	1,327.80
28	730300 7¼ Circ saw bld 3 pak	161	7.70	1,239.70
29	70-404 1/8 h/s Drill bit 2/pk	673	1.30	874.90
30	71-015 Dial-a-drill 1/16-1	83	10.32	856.56
31	82-101 Repl spool-line 8201	415	1.72	713.80
32	70-436 ½ h/s drill—¼ shank	135	4.83	652.05
33	7480 Sander-orbital ¼ sheet	13	48.17	626.21
34	75-610 Jig saw blds 5 pak assorted	298	2.05	610.90
35	75-262 2/U1362 Jig saw blades	450	1.31	589.50

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	PAINT SUNDRIES			
1	40011 WD-40 Rust preventative, 9 oz	8,388	2.00	16,776.00
2	0910 Perm-E-Lastic spackling comp	6,552	1.14	7,469.28
3	40015 WD-40 Multiuse lubricant, 12 oz	2,232	2.47	5,513.04
4	LN601S Macco liquid nail adhesive	3,912	1.38	5,398.56
5	101B Viking caulking gun	3,108	1.58	4,910.64
6	FS145 Clear Macco Fix-n-seal, 11 oz	1,560	3.13	4,882.80
7	FS145 White Macco Fix-n-seal, 11 oz	1,416	3.13	4,432.08
8	1304S/G104-AO-73 EX 4 pc brush set	2,341	1.84	4,307.44
9	200 BX Crazy glue, 0.07 fl oz	3,930	1.09	4,283.70
10	938-TAP-90 EZ 3 pc paint set	1,573	2.60	4,089.80
11	Shur-caulk Penco wht caulk compound	5,400	0.57	3,078.00
12	E701 Borden Carpenter Wd glue, 8 oz	1,824	1.56	2,845.44
13	8727 Boyle 3 in 1 oil regular, 8 oz	1,260	1.82	2,293.20
14	GE372 GE Silicon bath caulk wh, 3 oz	852	2.31	1,968.12
15	LC130 White Macco acrylic latex caulk	1,098	1.79	1,965.42
16	2061/MK402 1" masking tape	1,944	0.95	1,846.80
17	E702 Borden carpenter wood glue, 16 oz	648	2.70	1,749.60
18	15000 Hyde 20 razor blades	840	2.00	1,680.00
19	409-TTA-90 EZ 9" twin pak covers	1,704	0.98	1,669.92
20	9002 3M 9x11 M Prod sand	1,240	1.24	1,537.60
21	13050 Hyde scraper w/5 blades	1,380	1.07	1,476.60
22	584/PK1/MK-410 Masking tape ¾ x 40	2,592	0.56	1,451.52
23	E561 Borden Wonderbond Plus 100Z	960	1.51	1,449.60
24	01101 Savo pt-rmvr paste strypee	624	2.21	1,379.04
25	391 Boyle 3 in 1 oil regular 3 oz	1,259	1.09	1,372.31
26	GE2567-012 GE Caulk clear, 11 oz	240	5.05	1,212.00
27	0993 3M 9x11 C Prod sand	960	1.24	1,190.40
28	80095 Bondex joint cement premix 5	100	11.71	1,171.00
29	VAP 120/HAB120 Webster 9x12 utility	744	1.52	1,130.88
30	01133 Savo remover nonflam suprstrp	84	13.41	1,126.44
31	9005 3M 9x11 asst prod sand 5 pk	880	1.24	1,091.20
32	51082 Bondex spackling paste	6.48	1.68	1,088.64
33	2061/MK401 ¾ x 60 masking tape	1,584	0.67	1,061.28
34	8597 Boyle plastic wood, 1 lb	348	2.91	1,012.68
35	51084 Bondex spackling paste qt	372	2.67	993.24

Source: Stem Distributing, Maple Heights, Ohio. Figures cover January 1982.

Paint Sundries Do Very Well; Trade-up Noted

The paint sundries category continues to do "very well," making it a "good, solid area the year round," according to Steve Plecko, buyer, Stem Distributing, Maple Heights, Ohio.

PMA PRODUCT MOVEMENT AUDIT

While the entire category doesn't begin to occupy hardware buyers' minds until the weather allows for outside painting, orders are still being filled for the highly promotional area of application rollers and the smaller-width brushes for inside painting.

Reflecting the trend toward inside painting at this time of year, Stem's latest ranking of top dollar movers lists four- and three-piece brush sets in eighth and 10th place, respectively.

Although the majority of inside painting is done before the spring fix-up season, some orders are written in the fall. "There is some indoor business after Labor Day, primarily people who put off doing a chore until it can no longer wait," said Plecko.

Keeping Pace

Led by the new convenience items such as aerosol caulkers and foam insulation, the first quarter resulted in sales "as good as, and possibly better than, the similar period of a year ago. The only reason I'm being cautiously optimistic rather than coming right out and say we'll do better is the state of the economy," explained the buyer.

Two items that did not appear on the list but are future members of the top dollar movers club are E-Z's caulker and the manufacturer's "Touch-N-Foam," both of whose initial sales have been "very encouraging," according to Plecko. The distributor began carrying the items in early 1981.

As in many other hardware areas, there is a trend toward higher-priced, better-quality merchandise in the paint sundry category, Plecko noted. Newer, stronger bonding adhesive compounds with silicone and acrylic bases have driven retail prices higher without a decrease in unit sales. "People are buying the so-called 'super' glues in greater quantities because they last longer. As a result the customer doesn't have to do the job as often," declared Plecko.

As for the Black & Decker category, there was some significant listing changes to go along with a new product introduction and ad campaign.

For the first time in recent memory the #9330 Dustbuster did not occupy the top spot, dropping to third place with 540 units moved and a total dollar movement of $16,389, a decrease of over $75,000. The decrease can be partly attributed to the traditional post-Christmas sales lag, especially for the gift-related item.

Nevertheless, Stem's power tool merchandise manager Ray Fondran was amazed at the Dustbuster's continued strong PMA showings: "I can't imagine where all those Dustbusters are going."

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The 5-Way Flo-Massage Showerhead

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HEALTH & BEAUTY AIDS

One Maker Dominates Diet Control

Among its four brand names—Dexatrim, Control, Appedrine and Prolamine—it is obvious that Thompson Medical's diet control products dominate the category.

PMA PRODUCT MOVEMENT AUDIT

In this Product Movement Audit, supplied by Boston Distributors for the Feb. 2, 1981, through Jan. 2, 1982, period, the Thompson brands represented eight of the top 15 diet products.

Another Thompson product that has yet to have a full year on the shelves, and did not make the top 15, is moving up rapidly in sales. It is Dexatrim, Extra Strength, Caffeine Free.

With this relatively recent entry, Thompson combined the caffeine-free feature of its Control and the extra-strength feature of its top-selling Dexatrim. The combination provided the company with another best-seller.

Boston's vice president of merchandising indicated that diet product sales have been on the rise among discount operations even though they have been reluctant to promote the category.

But, Sweet 'N Low, an item which customers purchase more frequently, has been a strong-pulling promotional item. In Sweet 'N Low, packettes of 100's and 500's took the fourth and fifth ranking on the PMA. The packette of 250, which didn't make the PMA, has been an outstanding promotional size. The 250's hit a price point attractive to customers and is a size offering discounters a higher-gross margin than the 100's and 500's.

In the vitamin category, two trends emerged during 1981. One was the soaring sales in stress vitamins; the other was the emerging strength of natural vitamins, those produced with no sugar, preservatives or added color.

Within the vitamin category, exclusive of Boston's Rexall program, Lederle's Centrum went straight to the top of the list during 1981.

Between its Centrum and Stresstabs, Lederle led the field in the area of stress vitamins.

This year, however, Lederle is slated to have stronger competition in stress vitamins with the recent introduction of One A Day's Stressguard.

Within the Rexall vitamin program, vitamins E and C dominated the movement audit. But, the appearance of Natural Vitamin E on the PMA for the first time was, according to Boston, a signal that more natural vitamins will be rising to the top 15.

In fact, Boston's merchandiser believes that discounters can do more to grab a larger market share of the rapidly growing area of natural vitamins and health foods.

Toward that end, Boston is testing a new 4-ft. section containing an assortment of natural vitamins, snacks and teas in discount chains beginning this month. The test stores are located in higher-income areas and some college-town markets.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	DIET PRODUCTS			
1	Dexatrim extra strength capsules 20's	36,348	3.38	122,856
2	Dexatrim extra strength capsules 40's	11,388	5.71	65,025
3	Dexatrim capsules 28's	18,048	3.58	64,612
4	Sweet N Low packettes 100's	34,272	1.17	40,098
5	Sweet N Low packettes 50's	8,382	4.77	39,982
6	Control capsules 14's	17,340	2.09	36,241
7	Control capsules 28's	9,948	3.36	33,425
8	Dexatrim capsules 56's	5,550	5.86	32,523
9	Dietac capsules 14's	12,174	2.47	30,070
10	Appedrine tablets 30's	11,304	2.51	28,373
11	Permathene 12 capsules 24's	9,372	2.96	27,741
12	Prolamine super strength tablets 20's	10,536	2.51	26,445
13	Dietax maximum strength capsules 20 count	8,196	3.00	24,588
14	Dietac capsules 28's	5,502	4.05	22,283
15	Permathene capsules 48's	4,236	4.52	19,147
	COLD PRODUCTS			
1	Nyquil nightime medicine 10 oz	37,278	3.99	148,739
2	Contac capsules 10's	60,612	1.69	102,434
3	Blistex lip care center 2080A	191,808	0.49	93,986
4	Nyquil nightime medicine 6 oz	36,564	2.49	91,044
5	Halls mentholyptus bags 30's	115,032	0.79	90,875
6	Contac capsules 20's	28,944	2.99	86,543
7	Dristan tablets 50's	21,504	3.57	76,769
8	Afrin spray 15 CC	39,420	1.93	76,081
9	Halls honey-lemon bags 30's	85,608	0.79	67,630
10	Halls cherry bags 30's	81,192	0.79	64,142
11	Primatine mist refill 15 CC	14,520	4.39	63,743
12	Dristan tablets 100's	10,230	5.99	61,278
13	Comtrex cold tablets 50's	16,392	3.67	60,159
14	Vicks Formula 44D cough syrup 6 oz	16,188	3.61	58,439
15	Vicks Formula 44 cough syrup 6 oz	16,560	3.15	52,164

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	VITAMINS			
1	Centrum vitamins bonus 130's	19,086	8.47	161,658
2	Theragran M tablets 130's	10,336	7.91	81,758
3	One A Day with iron 100's	11,244	4.43	49,811
4	Flintstones with iron 100's	10,542	4.39	46,279
5	Stresstabs with iron 60's	7,532	5.85	44,062
6	Geritol tablets 40's	10,122	3.61	36,540
7	Poly Vi Sol Drops 50 CC	7,138	4.62	32,978
8	Geritol Tablets 100's	4,584	6.87	31,492
9	Stresstabs with zinc 60's	4,806	6.34	30,470
10	Tri Vi Sol drops 50 CC	7,080	4.20	29,736
11	Stresstabs 60's	5,188	5.42	28,119
12	One A Day multiple vitamins 100's	7,308	3.82	27,917
13	Flintstones vitamins regular 100's	7,032	3.97	27,917
14	Allbee with C 800 plus iron 60's	4,285	6.30	26,996
15	Myadec capsules 130's	2,561	10.05	25,738
	REXALL VITAMINS			
1	Vitamin E 400 IU 100's	19,054	2.97	56,590
2	Vitamin C 500 MG 100's	32,679	1.55	50,652
3	Vitamin E 1000 IU 50's	4,151	5.22	21,668
4	Vitamin C 1000 MG 100's	5,066	3.77	19,099
5	Stress formula plus iron 60's	5,131	3.63	18,626
6	Vitamin C 500 MG 250's	3,710	4.75	17,623
7	Natural vitamin E 1000 IU 50's	1,627	10.66	17,344
8	One daily tablet with iron 100's	9,369	1.81	16,958
9	Super plenamins 100 + 30 free	2,707	5.52	14,943
10	One tablet daily plus minerals 100's	4,876	2.96	14,433
11	Natural vitamin E 400 IU 100's	1,763	7.76	13,681
12	Vitamin E 400 IU 250's	1,313	10.30	13,524
13	Vitamin E 200 IU 100's	4,794	2.58	12,369
14	One tablet daily 100's	7,033	1.72	12,097
15	Vitamin B & C capsules 100's	3,176	3.79	12,037

Source: Boston Distributors, Maple Heights, Ohio. Feb. 1, '81 to Jan. 2, '82.

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HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	PLASTICS			
1	60061 Cadence Stemtrak clear acrylic	2,050	5.85	11,992.50
2	8817 Frigidaire ice tray 16 cube	3,158	1.97	6,240.96
3	BCR76 Deka crayon mug w/display	3,165	1.97	6,235.05
4	Frigidaire party ice tray 40 cube	2,928	1.97	5,768.16
5	158 Freezette uprite cont 1 gal	1,728	2.51	4,337.28
6	1156 Freezette uprite set (3) 1 qt	1,380	2.96	4,084.80
7	5504 Freezette refrig bottle 1 gal	1,488	2.69	4,002.72
8	164 Freezette flat 3.5 qt	1,380	2.69	3,712.20
9	155 Freezette uprite set (4) 1.5 qt	1,032	2.96	3,054.72
10	139 Freezette larg flat 9.5 qt	454	6.29	2,855.66
11	154 Freezette uprite set (5) 1 pt	900	2.96	2,664.00
12	D.A.M. 16 spray bottle 1 pt	1,967	1.34	2,635.78
13	612 Freezette II P-Pull smoke sqr ½ ltr	1,248	1.79	2,233.92
14	2757 Eagle juice decanter 2 qt clear	1,200	1.79	2,148.00
15	137 Freezette larg flat 5.5 qt	456	4.49	2,047.44
	CLEANING & CHEMICALS			
1	00272 O-Cedar Angler broom	1,056	6.65	7,022.40
2	00216 O-Cedar Light & Easy sponge mop	828	6.65	5,506.20
3	00261 O-Cedar Light & Easy nylon dust mop	684	6.65	4,548.60
4	4037 C/P Sterno canned heat (3)	1,512	2.51	3,795.12
5	1185 Roll-O-Matic sponge mop	324	10.97	3,554.28
6	7216 O-Cel-O Scrub/Sponge Kitchen	5,040	0.62	3,124.80
7	E-30 Willert Enoz M-Ball 10-oz box	1,704	1.52	2,590.08
8	7 white 16" black dust pan	348	5.93	2,063.64
9	7274 O-Cel-O Sponge hand sz 4pk/bp40	2,304	0.89	2,050.56
10	2-Yd Curity cheese cloth 2-yd pkg	1,878	1.07	2,009.46
11	T-41 Vac bag Hoover Bottomfill (4)	2,064	0.90	1,857.60
12	165 White Wringer bucket 16 qt	34	53.99	1,835.66
13	045 Quickie Automatic sponge mop	246	7.37	1,813.02
14	T-16 F&G Vac bag Eureka uprites (2)	1,980	0.90	1,782.00
15	19-645 Ballonoff copper dustpan	1,032	1.70	1,754.40

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	RUBBERMAID			
1	2865-B Ice cube tray single pk	9,360	0.98	9,172.80
2	2894-C Roughneck round can 32 gal choc	330	25.64	8,461.20
3	2309-AL Slide-out drawer 12" almond	828	10.16	8,412.48
4	2965-C Rect laundry basket choc	1,459	5.75	8,389.25
5	2311-AL Slide-out drawer 16" almond	678	11.06	7,498.68
6	2302-AL Stor turntable 19x21 almond	906	7.37	6,677.22
7	2937-AL Twin turntable almond	1,446	4.31	6,232.26
8	6032-AL Dlx dish drain wire almond	990	6.29	6,227.10
9	2936-AL Single turntable almond	2,466	2.51	6,189.66
10	2965-AL Rect laundry basket almond	1,074	5.75	6,175.50
11	2846-C Larg rect wastebasket choc	1,052	5.75	6,049.00
12	6032-C Dlx dish drain wire choc	960	6.29	6,038.40
13	2845-C Small rect wastebasket choc	1,206	4.76	5,740.56
14	1181-AL Drain tray 15x20 almond	1,326	4.31	5,715.06
15	2300-AL Turntable 15¾" almond	1,014	5.57	5,647.98
	GLASSWARE			
1	2417-26 Jeannette Punch bowl set	2,190	12.60	27,594.00
2	468 Libbey 24 pc bolero gold	1,302	18.45	24,021.90
3	Y420052C Anchor Hocking Forest 24-pc st br	1,418	12.87	18,249.66
4	484 Libbey 12 pc Spirits & Ale set	920	19.80	18,216.00
5	420051C Anchor Hocking Forest 24-pc set crstl	1,405	12.87	18,082.35
6	8007148 Durand 24-pc Lancer bev set	737	21.60	15,919.20
7	515 Libbey Citation 6½ oz tall wine	2,262	6.93	15,675.66
8	771 Libbey 7-oz Margarita glass	7,246	2.07	14,999.22
9	519 Libbey Citation stem goblet	1,788	6.93	12,390.84
10	B031028 Durand 12-pc Diamont stemware set	402	27.00	10,854.00
11	469 Libbey 24-pc Bolero Tawney	579	18.45	10,682.55
12	516 Libbey Citation 6½ oz round wine	1,380	6.93	9,563.40
13	682 Libbey Citation white wine 11 oz	1,349	6.93	9,348.57
14	470 Libbey 24-pc Bolero blue	504	18.45	9,298.80

Source: Bacar, distributor, San Jose, Calif. For Nov. 2 through Dec. 31, 1981.

Glassware Holder King In Plastics

For the selling period covered by this Product Movement Audit, Nov. 2 through Dec. 31, 1981, a new item introduced by Cadence topped the list in the plastics category.

Jerry Falk, executive vice president of Bacar Inc., the San Jose, Calif.-based distributors who supplied the audit, reported Cadence's Stemtrack is a big new item on the West Coast.

The Stemtrack is a clear acrylic glassware holder, a copy of the kind of holder used in bars to house stemware upside down, held at the base. Stemtrack has shown strength among West Coast discounters as a gift item and for home bar use.

The majority of the top sellers in plastics were, however, basic year-round sellers such as the Freezette storage items and Frigidaire ice trays.

But another exception to the appearance of basics on the movement audit, in addition to the Stemtrack, was the Deka Crayon mug which took the third ranking spot and appeared on the audit for the first time.

Although they didn't appear among the top 15 sellers in plastics, Bacar's sales report also showed excellent movement in Deka's Strawberry Shortcake mugs and tumblers. But, the newer Crayon mug came in with higher unit sales than the long-popular Strawberry Shortcake motif.

In cleaning and chemicals, items from O-Cedar captured the top three rankings. In this category's stick goods, O-Cedar is still the name which has the greatest customer recognition on the Coast, according to Falk. But Roll-O-Matic is also building customer recognition with the company's television campaign, and its sponge mop took fifth place.

New among the top sellers in the cleaning category is a high-ticket item, the White Wringer bucket, which took spot No. 12.

From Rubbermaid, several basic items such as the ice tray, Roughneck cans, laundry baskets and dish drainers continued to appear among the top 15 best sellers.

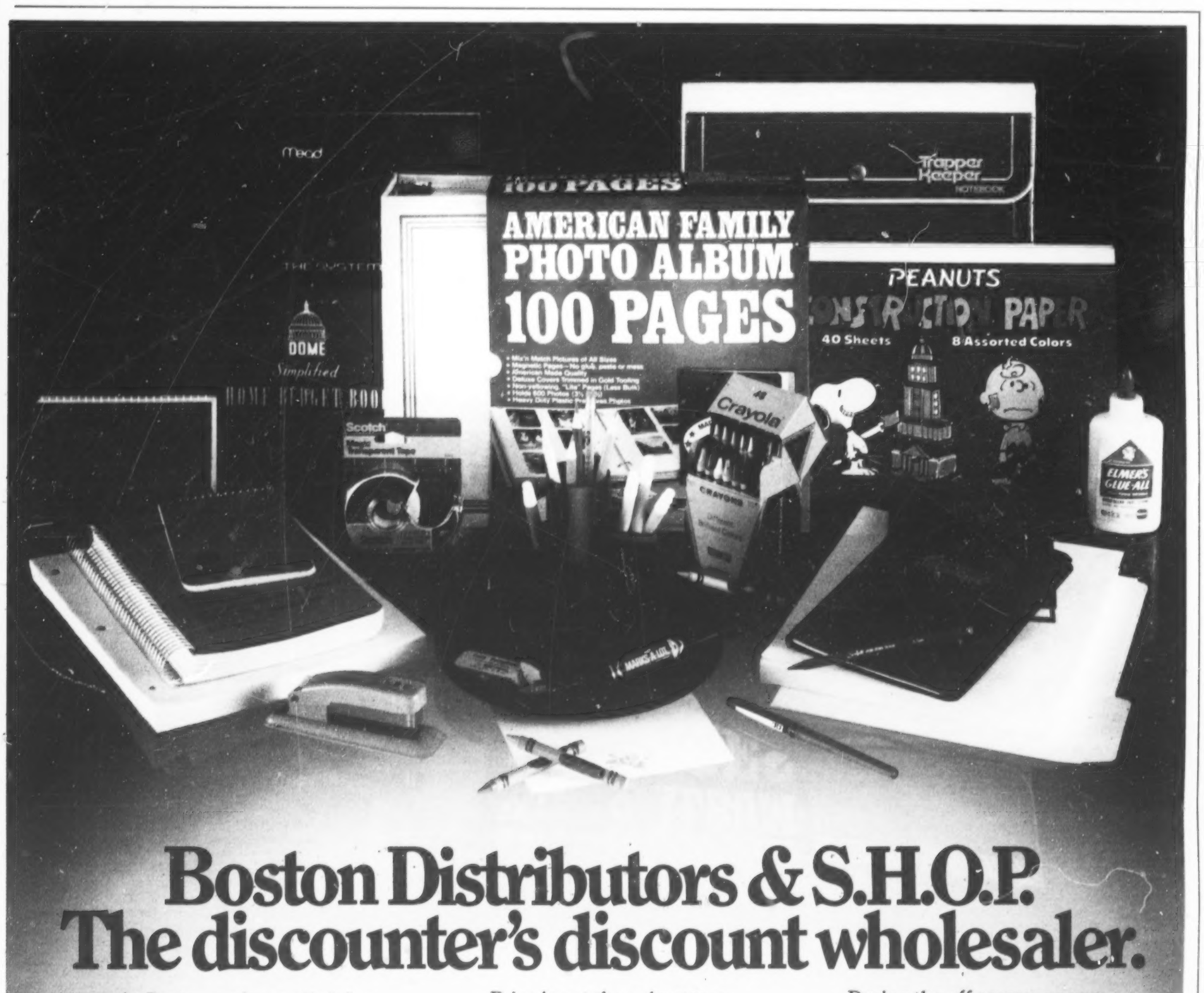
But, this time around, Rubbermaid's slideout drawers and turntables took six spots totally on the audit, reflecting the growing strength in the space-saving and storage segments of the Rubbermaid lines.

Interestingly, the top sellers in all the turntables and slide-out drawers were in almond. Although it didn't make the top 15, the second best-selling color in turntables was gold.

But, no matter the item, Bacar's sales reflect that the top-selling colors from Rubbermaid have been chocolate and almond.

The top item in glassware, the Jeannette Glass punchbowl set, sells year around. But, the unit movement for this period indicates that the big sales come during the holiday selling period.

In second place is the Libbey Bolero 24-piece set in gold.



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Price is not the only reason for you to consider Boston for your stationery needs.

Sophisticated reporting systems continually guide us, and you, in the determination of your product mix. Planograms are set to sales and space allotments are geared to assure maximum G.M.R.O.I. We also blend high volume traffic items with other impulse merchandise to increase the frequency of plus sales. Boston sets departments with store personnel in mind so you have clean departments which facilitate accurate ordering and housekeeping.

Our promotional program is also tops. Back-To-School and Tax Time seasonal presentations afford the best possible products at rock bottom prices.

During the off season, promotional products such as envelopes, erasable pens and tapes are offered at cost, including all deals, warehouse discounts, and ad monies to assure you of hot ad items which draw traffic to this profitable department.

To find out more about Boston Distributors, call Milt Rosenberg, Vice President, Sales collect at 216-663-8252.

BOSTON DISTRIBUTORS

16485 ROCKSIDE ROAD • MAPLE HEIGHTS, OHIO • 44137

A COOK UNITED DISTRIBUTION GROUP COMPANY
• BOSTON DISTRIBUTORS • STEM DISTRIBUTING
• THE MYRON NICKMAN COMPANY
• OSCAR ROBBINS & COMPANY

BACK-TO-SCHOOL

PRODUCT MOVEMENT AUDIT

Stationery Is No. One In Growth

By M. Raymond Prendergast
President,
Boston Distributors

The stationery, school supplies and home office products department was Boston Distributors' No. 1 growth area in 1981, showing a 42% increase over 1980 sales.

This growth may be attributed to the increasing sophistication being addressed to the category by manufacturer and retailer alike.

We have witnessed successful product innovations on the part of the producer, such as the erasable and roller ball pens. Market testing and extensive evaluation techniques are now being employed in fashion merchandise, reducing the retailer's risk while increasing the fashion share of the market.

Of primary importance has been the drastic improvement in packaging of peggable items and flat goods, especially in the home office product section.

Retailers who have remerchandised their departments to take advantage of packaging improvements have been able to increase the impact that a section has on the consumer. Since these categories are highly impulse in nature, sales and the degree of impact are directly proportionate.

The retailer can further increase sales by merchandising high volume traffic products adjacent to supplemental impulse products. An example of this technique is to peg writing instruments over stationery displayed on slanted shelves.

Stationery, which affords our customers their highest margins, was up 55% in 1981, while writing instruments climbed 31.2%.

Year-round print advertising campaigns have given the retailer excellent sales and margin results. Envelopes, tape, glue, crayons, pens, clasp envelopes, file folders and security chests are just a few of the proven items capable of drawing traffic at any time of year, helping to increase turns and overall store profits.

Back-To-School displays and promotions continue to represent the strongest sales base of the department. Loose leaf paper and wirebounds led all other subcategories in sales, with 200-count filler paper as the leading draw item.

A gradual switch from filler to wirebounds is taking place, however, as filler accounted for 38.3% of category sales for Boston Distributors in 1981 as compared to 45% in 1980.

(Continued on page 37)

Curr. $ Rank	Prev. $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
OFFICE SUPPLIES					
1	1	Steno book white 80 count	50,376	0.79	39,797
2	13	Index cards ruled 100 3 x 5 40153	25,430	0.79	20,090
3	7	Tele address book 80011	4,080	4.50	18,360
4	15	Desk pad month 22 x 17	2,240	7.16	16,038
5	12	Tele address book 80201	3,636	4.05	14,726
6	6	Legal pad 14-in 50 count 59-6656	13,752	1.04	14,302
7	4	Legal pad 11-in 50 count 59-6226	15,048	0.95	14,296
8	2	Desk pad weekly 22 x 17 58-3040	1,760	7.16	12,602
9	2	File folders ⅓ cut 12 35102	10,189	1.22	12,431
10	5	Dome weekly bookkeeping record 600	1,920	6.26	12,019
11	20	Desk pad plain 22 x 17 58-3010	1,640	7.16	11,742
12	3	File fldr systm assrtd hngng 40129	924	12.07	11,153
13	48	Desk pad quad 22 x 17 58-3020	1,460	7.16	10,454
14	14	Clip-folio 8½ x 11 91106	2,592	3.77	9,772
15	New	Rollodex telephone index AB100	2,154	4.46	9,607
WRITING INSTRUMENTS AND ACCESSORIES					
1	2	Empire pencils 10 pack 1038	236,496	0.79	186,832
2	1	Papermate Erasemate pen 38004	105,800	1.29	136,482
3	New	98 Erasemate 2 dispos pen 39104	118,212	0.79	93,387
4	New	NFL 14-count pencil display 13705	40,176	1.79	71,915
5	New	Scripto Erasable 3-pack display C449	67,920	0.99	67,241
6	8	Bic 3-piece school special S69	90,058	0.69	62,140
7	3	Bic pens 10-pack S2505	62,673	0.99	62,046
8	4	Scripto Erasable disposable pen T509	71,532	0.79	56,510
9	9	Parker Jotter ball pen 3023	8,280	4.05	33,534
10	12	Bic four color pen MF198	18,144	1.79	32,478
11	New	Venus 10-pack #2 pencils 13649	33,876	0.79	26,762
12	New	Scripto refillable erasable pen	20,016	1.29	25,821
13	17	Papermate power point 295 slim 14164	6,072	3.56	21,616
14	16	Carter Marks-A-Lot black 17888	35,028	0.59	20,667
15	19	Magic Marker lqd crayns brd 1549	15,684	1.19	18,664

Source: Boston Distributors, Maple Heights, Ohio. For '81 vs. '80.

Curr. $ Rank	Prev. $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
BINDERS AND PORTFOLIOS					
1	1	Trapper Keeper binder 29096	32,880	6.29	206,815
2	3	Data Center binder 29300	25,416	6.29	159,867
3	2	Organizer binder 29400	18,996	6.29	119,485
4	New	Mead Flex 3 notebook with pad pk	18,240	6.29	114,730
5	4	Duotang report cover 2 pocket 54128	81,600	0.53	43,248
6	7	Binder canvas clip 3RG	12,420	3.11	38,626
7	14	Critter Sitter portfolio 33298	72,528	0.50	36,264
8	15	Trapper Portfolios 2 pocket	72,144	0.44	31,743
9	5	Scholar set filled binder 29610	4,788	6.29	30,117
10	8	Portfolios 2 pocket 5 pack	18,024	1.58	28,478
11	11	Brief folder 5 pack	16,152	1.58	25,520
12	19	Peanuts portfolio 1829	40,416	0.62	25,058
13	12	Portfolios fashion 33272	55,536	0.44	24,436
14	—	Duotang report cover 2 pocket 50125	70,275	0.32	22,488
15	13	Classmate portfolio 8 pocket 33534	12,936	1.67	21,603
LOOSE LEAF PAPER					
1	1	Filler paper wide margin 200 count	804,696	0.99	796,649
2	2	Filler paper narrow margin 200 count	368,688	0.99	365,001
3	3	Mead spiral notebook 70 count	363,384	0.79	287,073
4	4	Mead theme 5 subject 200 count	52,284	1.99	104,045
5	6	Mead theme 3 subject 120 count	69,744	1.49	103,919
6	New	Mead Varsity notebook 100 cnt 65005	50,760	1.69	85,784
7	7	Union Camp spiral notebook 100 count	33,768	1.69	57,068
8	8	Mead theme 5 sbjct cllge rle 200 cnt	16,548	2.99	49,479
9	21	Peanuts construction paper 1821	20,856	1.74	36,289
10	22	Mead construction paper assorted	31,464	1.13	35,554
11	13	Theme bk 4 sbjct 6 pckt 120 6771	10,800	3.23	34,884
12	New	Top Flight theme book 150 count 6½x9	14,196	2.16	30,663
13	15	Critter Sitter 70 count notebook 53420	22,080	1.22	26,938
14	—	Mead spiral notebook 40 count	36,624	0.69	25,271
15	14	Stuart Hall theme book 108 count	13,896	1.76	24,457

(Continued on page 37)

INCREASE YOUR PROFITS.

The No nonsense® profit margin is higher than other major nationally-advertised hosiery brands.

But if you have 4 feet or less of No nonsense® shelf space, you're not taking full advantage of all the profit available to you. You can *increase* your profits simply by increasing your display to 6 or 8 feet. And *now* is the best time ever to expand.

Independent Marketing Research Offers Proof:

- Hosiery sales are up 20% in dozens and 53% in dollars in Food and Drug outlets during the past five years.
- Growing consumer demand has increased the unit share of Premium and specialty styles by 97% over the past five years.
- Since 1976, No nonsense® has grown five times faster in dozens than the total hosiery category ... nearly three times faster than the other leading brand.

BACK-TO-SCHOOL

Waterfalls of western-style shirts hang near jerseys in the boys' department at Fishers Big Wheel, New Philadelphia, Ohio. *(DSN photo)*

(Continued from page 36)

Curr. $ Rank	Prev. $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
FILES AND DESK ACCESSORIES					
1	1	Ballonoff file cabinet 2 drawer 182WB	927	51.29	47,546
2	2	Ballonoff file cabinet 4 drawer 184WB	503	68.39	34,400
3	6	Ballonoff security chest 01385	1,343	17.96	24,120
4	5	Ballonoff porta file 02612	3,452	6.53	22,542
5	4	Rockaway cash box H260	1,677	11.48	19,252
6	15	Sterling Step By Step Rack 331	2,896	6.26	18,129
7	New	Tuf-File 10002	491	31.49	15,462
8	14	Desk tray (with cutout) 282	4,263	3.23	13,769
9	19	Rockaway personal file 610A	1,010	13.37	13,504
10	3	Ballonoff security chest 1387	608	21.29	12,944
11	13	Ballonoff security chest 1383	746	17.06	12,727
12	7	Ballonoff porta check file plastic 2499	3,070	4.13	12,679
13	9	Rockaway check file H280	1,221	9.98	12,186
14	8	Rockaway security chest H300	723	16.19	11,705
15	10	Ballonoff porta giant file 1912	1,429	7.82	11,175
TYPING SUPPLIES					
1	1	Stuart Hall typing paper 200 count	70,404	1.59	111,942
2	2	Liquid correct fluid white 564c	19,032	1.25	23,790
3	3	Mead erasable-type tablet 40 count	14,988	1.13	16,936
4	5	Mead add calculator rolls 65126	9,216	1.43	13,179
5	9	Stuart Hall typine paper 100 count	8,928	1.43	12,767
6	8	Mead typing tablet 40 count	14,772	0.86	12,704
7	6	Eaton type pocket Corrasable 16 lb	4,920	2.48	12,202
8	11	Eaton type tablet Corrasable 34416	6,288	1.80	11,318
9	10	Liquid Paper typwrtr rbbn unvrsl 24004	5,784	1.44	8,329
10	7	Carter expert corrector tape 65058	3,018	2.25	6,791
11	New	Carter expert corrector tabs 65059	4,380	1.13	4,949
12	12	Onionskin paper 30 count	4,020	1.13	4,543
13	New	Liquid Paper calculator ribbon 15	2,028	2.03	4,117
14	4	Carter carbon paper 65200	4,428	0.57	2,524
15	New	Mead carbon paper poly wrap 40114	2,592	0.88	2,281

(Continued on page 44)

PMA®

PRODUCT MOVEMENT AUDIT

Growth Area

(Continued from page 36)

Strong promotions of 70-count, 120-count/three-subject and 200-count/five-subject notebooks pulled business away in the precollege segment while 100-count, 200-count/five-subject and 6½-in. x 9-in./150-count dominated the college segment.

Fashion increased its share of the wirebound market with Critter Sitter and Dukes of Hazard showing the largest gains.

The Peanuts line promises to maintain its strength in the children's segment in 1982 despite the threat from Critter Sitter and Mead's new entry, Garfield. Union Camp's Atari line also promises to take some of the 1982 business away from traditional wirebounds.

Erasable pens maintained their dominance of the writing instrument category with a 24% share of this market.

Erasemate lost its No. 1 ranking to Empire 10-pack pencils as a flood of new entries from Scripto and Papermate deluded sku sales. Erasemate's disposable pen skyrocketed into third position while Scripto placed three erasable put-ups on our top 15 listing.

Ten-pack pens, although an excellent Back-To-School promotion, were the big loser, falling from third to seventh spot.

Bic plans to regain lost sales by introducing a new low-end 10-pack in 1982 called Biro. An attractive package at an excellent price point should make Biro a winner next season.

High-count pens and pencils, along with the erasables, may also be successfully featured in home office product promotions to afford additional traffic into this section.

Cross-merchandising of business envelopes has also been a successful means of drawing traffic to the aisle as mass merchandisers continue to make advances in the office supply-related business.

High-count file folders, clasp envelopes, steno books and office quality typing paper should be featured in promotions on a year-round basis.

The office supply PMA was again led by the 80-count steno book followed by 3 x 5 index cards. Sheaffer Eaton's Tele-Address Book rose from the seventh spot last year to take the third ranking in 1981. Monthly desk pads rose from position 15 to fourth place while the small Tele-Address Book rose to the fifth position.

The typing supply PMA, up 43.5%, was dominated by 200-count typing paper, which captured 35% of category sales. Liquid paper landed in the second ranking while correction tape and the new correction tabs took the tenth and eleventh spots, respectively.

Files and desk accessories were led by two-drawer files followed by the four-drawer put up. The midsize security chest from Ballonoff replaced the high-end edition in third place while the plastic porta file rose to fourth.

BY EXPANDING YOUR DISPLAY!

- And not only is No nonsense® more profitable than other *pantyhose* brands, it's also more profitable than many other *product categories*, like dry pet food, laundry items and sanitary products.

So, why not make a profitable display even *more* profitable? A little more No nonsense® space on your *floor* can mean a lot more profit in your *pocket*!

No nonsense

TELL ME MORE.

Send to: Joe Downey
No Nonsense Fashions, Inc.
P.O. Box 77057
Greensboro, North Carolina 27407

Name

Title

Store Company

Address

© 1981 No Nonsense Fashions, Inc.

LOOK WHO
WE'VE HIRED
TO HELP
YOU MAKE
MORE MONEY.

Garfield

The new super salesman in the neighborhood. Now being featured in over 800 newspapers. Display him in your stationery department and at your check-out counters ... you'll be delighted with the results.

Empire products are advertised, full color, in Good Housekeeping, Family Circle, Woman's Day and Parents.

EMPIRE PENCIL CORPORATION
SHELBYVILLE, TENN. 37160

GARFIELD Characters © 1978 United Features Syndicate, Inc.

BACK-TO-SCHOOL

(Continued from page 37)

Curr. $ Rank	Prev. $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
		STATIONERY AND NOTES			
1	1	Envelope 6¾ 75-2100 100 count	155,880	0.79	123,145
2	2	Envelope legal 75-2300 50 count	128,928	0.79	101,853
3	5	Tablet ruled 70-4600 100 count	34,008	0.95	32,308
4	7	Tablet plain 70-4602 100 count	23,268	0.95	22,105
5	3	Envelope security 75-2160 80 count	24,600	0.79	19,434
6	4	Envelope security 10 75-2170 40 count	20,112	0.79	15,888
7	6	Envelope press seal 75-2150 40 count	10,416	1.16	12,083
8	13	Stationery boxed 90 sheet	3,216	2.96	9,519
9	15	Notes dec assorted 88046	7,728	1.22	9,428
10	39	Palette letters tablet 79604	5,940	1.25	7,425
11	9	Only-A-Rose tablet 70530	7,716	0.95	7,330
12	20	Favorite tablet 36 count	7,152	0.95	6,794
13	23	Tablet ruled 5 x 8 60 count	9,732	0.68	6,618
14	19	Box Mountains of Letters 87014	3,240	2.03	6,577
15	11	Box-tea roses assorted 88008	3,024	2.03	6,139
		MISCELLANEOUS SCHOOL SUPPLIES			
1	11	Borden Elmers school glue 4 oz E304	66,312	0.93	61,670
2	New	Alco School Bus Merchandiser 115	12,624	4.49	56,682
3	2	Crayola crayons 64 count 64D	18,018	2.69	48,468
4	New	Alco tote display with free tote 334	10,464	4.49	46,983
5	1	Binney & Smith Crayola crayons 24	36,780	1.19	43,768
6	New	Scotch transparent tp 104-105 X812R	54,720	0.79	43,229
7	3	Binney & Smith Crayola crayons 48	19,728	2.15	42,415
8	8	Scotch utility tape ½ x 800 RK2	56,904	0.69	39,264
9	9	Scotch Magic Tape ½ x 450 104	47,640	0.79	37,636
10	New	Scotch Magic Deal 104-105 B814R	45,504	0.79	35,948
11	16	Borden Elmers schl glue E301 1¼ oz	65,556	0.51	33,434
12	10	Scotch Magic Tape ¾ x 300 105	38,640	0.79	30,526
13	13	Krazy Glue 200BX	14,720	1.78	26,202
14	5	Binney & Smith Crayola crayons 16	28,812	0.83	23,914
15	6	Swingline Tot Stapler with 1000 staples	13,716	1.70	23,317

Licenses Advance

Sales of licensed products hit $13.7 billion in 1981, a 38% increase from 1980, and toys and games were almost 25% of that total.

This, according to *The Licensing Letter*, means that licensed products earned royalties of $734 million for licensing agents and agencies, which expect volume to increase another 35% in 1982.

Volume in licensed products has already more than doubled in the past five years. In 1981, the most popular licenses nationally were the National Football League, Strawberry Shortcake and The Dukes of Hazzard.

Apparel and accessories accounted for almost one-third of total licensed sales, as the largest volume area in licensing. This was followed by toys and games at 25%; publishing & stationery, 17%; gifts and novelties, 10%; housewares and home furnishings, 8%, and sporting goods accounted for 5% of total licensed sales.

Rapid growth in home video products are expected to add to licensed product volume.

Discounters have already noted that several toy categories have become more dependent on licensed products.

WHEN YOU'RE
A REAL YOYO
IT PAYS TO HAVE
A FAMOUS NAME

See all the best-selling favorites, and new Human Beans YoYos, in our full-color catalog. Write Union Wadding, Pawtucket, RI 02862.

UNION WADDING

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Home Improvement Census: Pp.

Catalog Showroom News: P. 6

C5750-3

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Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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Most Discounters Nix Pay-For-Play Games

By Frank Cavaliere

They promise to be the slot machines of the 80's—providing large incomes for the manufacturer and leased operator alike—but most discounters, with important exceptions like Hills and Zayre, are reluctant to install arcade games in their stores.

At the core of the controversy is the as yet undetermined effect the dizzying array of electronic tanks, missiles and spaceships have on the American youth. "They mesmerize our children, they addict them and force them to mindlessly pour one quarter after another into the slots," said a Long Island housewife in a recent newspaper article concerning the proliferation of the games in all types of stores. And she was not alone.

Discount chains have responded to this increasing parental opposition by either not placing the games in their stores or by keeping close tabs on potential trouble spots.

Spokesmen for Woolco, Caldor, Gemco/Memco, Venture, Bradlees and Times Square Stores all mentioned community relations and/or image problems as reasons why they

(Continued on page 63)

FTC Investigates Retail Mergers, Sends Questionnaire to Chains

WASHINGTON—Select mergers among discounter, mass merchant and department store chains since 1980 are under Government investigation for possible antitrust violations, *DSN* has learned.

A Federal Trade Commission bureau has contacted some 25 general merchandisers—K mart, F. W. Woolworth, T.G. & Y., Sears, Montgomery Ward, J. C. Penney, May Department Stores and G. C. Murphy among them—saying:

"The Bureau of Competition is examining certain recent mergers in the retailing industry. . . . The purpose of these investigations is to determine whether the mergers may have violated [sections of] the Clayton Act or the Federal Trade Commission Act."

Mergers involving discounters since 1980 include Target's acquisition of Ayr-Way, Wal-Mart's buy out of Kuhn's Big K, the Caldor sellout to Associated Dry Goods and the joining of Barkers and King's.

Another general merchandise consolidation is Best Products' pending acquisition of Basco catalog showrooms.

Officials at at least one of the chains, Target and its parent Dayton Hudson, hadn't received the FTC request, though a Dayton Hudson spokesman said, "Our attorneys were aware that such a questionnaire had been sent out."

Trade sources said Wal-Mart and Associated Dry Goods also were not queried by the FTC, though the executives with ultimate responsibility at those chains were unavailable at presstime. Officials were also unavailable at Best Products. Other large mass merchants such as Zayre also weren't recipients of the FTC questionnaire.

Federated Department Stores and some catalog showroom chains were said to be additional contacts made by the FTC, though a Federated spokesman said, "We are neither confirming nor denying that we received it." Two of the highest-volume catalogers, Service Merchandise and H. J. Wilson, weren't contacted by the FTC.

Bureau of Competition staff attorney Daniel Ducore, who is heading the FTC drive, refused to comment on the matter.

"The commission won't confirm or deny the existence of a nonpublic investigation," he said. Only if the FTC issued a subpoena and a company fought it via court petition would public announcement of an investigation be made.

The FTC bureau, which handles antitrust cases and has examined retail mergers in the past, asked for competitive market information and an extensive range of documents from each chain. This is an apparent attempt by the FTC to define the market in general merchandising, often the first step in an antitrust action.

Chains contacted by the FTC, and some not contacted, expressed incredulity that such a competitive industry could be

(Continued on page 64)

Digest March 22, 1982

Housewares

- **T.G. & Y.'s new AIM For the Best stores will reflect a new** upscale image, in both price points and fixtures. (p. 11)
- **The Association of Home Appliance Manufacturers and a host** of its members say the time is right to develop performance standards for air cleaners. (p. 11)

H&BA

- **Buyers at Gold Circle, Woolco and ShopKo are among those** discounters reporting sales gains of 20% to 40% in private label H&BA's. (p. 15)
- **Discounters are staying away from generics, however, saying** the goods would only cut into their private label programs, without adding enough to the bottom line. (p. 15)

Home Improvement Census

- **Discounters are remixing their home improvement depart**ments by moving away from a strict lumber and building material orientation to a home furnishings/lifestyle assortment. (pp. 21-39)

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Co-op Warehouse's Future Is Factor

Gibson's Franchisees in Survival Fight

"Anyone who comes into the market is going to find this Gibson's will go mat-to-mat with them."—Thomas Mennelle, director, Permian Base Gibson's, Odessa, Tex.

Last of a two-part series

By Betty J. Taylor

SEAGOVILLE, Tex.—Herb Gibson Jr. sits in his office here and talks of drawing-board plans to solicit new Gibson franchisees.

He is still the orchestrator of the Gibson name. But with the folding of his company-owned units last year, the name and real estate landlordship of some 30 Gibson stores are all he controls.

A little more than a decade since he took full control of Gibson Discount Centers Inc., following his father's move to retire and separate the franchise operation and company-owned stores from his trade shows, Herb Jr. is starting over.

His future plans, which he says are still developing, could lead him back into a more active role in discounting.

He'd like to offer a financial service to get new franchisees started and perhaps build another company-operated distribution center. The plans aren't jelled.

Herbert Gibson Sr.: Profile, p. 52.

"We're not in a hurry to expand," Herb Jr. says. "We're still not a public company, so we're not under any pressure. . . . A lot depends on the economy, whether it stays sour and interest rates stay high. If the economy doesn't improve, we won't be expanding too rapidly."

(Continued on page 53)

K mart's Advertising Takes To the Air (Plane, That Is)

TROY, Mich.—K mart's newest advertising venture is up in the air—literally.

K mart is advertising monthly in a booklet of ads which is now part of the cover jacket for airline tickets and boarding passes at several major airlines.

The new advertising vehicle was started in January and K mart booked into the first 14-page issue. Ticket Holder Marketing Co., of Atlanta, the booklet developer, claims a 13 million circulation, with distribution through 11 airlines including TWA, Pan-Am, American and Delta.

"We charge $11 cost per thousand and up for a full page," Ticket Holder executive vp Marvin Bluestein said. "K mart started in January and has been with us in February and March, and is scheduled for April."

K mart is thus getting distribution of 13 million assumed "upscale" customers monthly for its four-color ads, which are

(Continued on page 63)

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HOUSEWARES

COOKWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	0509B15 Gen Hswrs col roaster 15-lb bird	3,654	12.82	46,844.28
2	26030 Wear-Ever prf SilverStone 10" Chef fry pan	3,178	10.79	34,290.62
3	CkU809 Dawo copper 5-pc kitchen tool set	1,379	24.30	33,509.70
4	2701 Revere 2⅓-qt teaklt cop-btm	1,627	17.55	28,553.85
5	0512840 Gen Hswrs col open roast pan 18x12	3,300	7.18	23,694.00
6	26028 Wear-Ever pref SilverStone 8" Chef fry pan	2,244	8.54	19,163.76
7	TKC-25 Trend 2.5-qt teaktl cop-btm	1,830	8.99	16,451.70
8	CM265 Dawo copper 5-pc measure pan set	760	21.60	16,416.00
9	3501 Revere 5.5-qt teaktl cop-btm	662	23.40	15,490.80
10	64110 Ekco B/S 17x11 cookie sheet	3,864	3.95	15,262.80
11	2901 Revere 2⅓ qt teaktl copper	706	21.60	15,249.60
12	1133 Gen Hswrs wgnr teaktl 2½-qt	385	36.89	14,202.65
13	3137 CM low fat broiler lrg 13x9	2,180	5.66	12,338.80
14	64330 Ekco B/S 9x13 oblong cake pan	3,492	3.50	12,222.00
15	1121 Revere 6C teaktl cop-btm	769	15.75	12,111.75
16	51199 Nordic 12C Formed bundt asst	1,584	7.64	12,101.76
17	64100 Ekco B/S 15x10 cookie sheet	3,357	3.50	11,749.50
18	400 Dawo copper-clad canister set	430	26.10	11,223.00
19	2252-2 Revere 2-qt teaktl copper	380	27.90	10,602.00
20	3321 Dawo copper bell teaktl dlft handle	623	16.20	10,092.60
21	0510B16 Gen Hswrs col roaster, 18-lb bird	601	16.42	9,868.42
22	64080 Ekco B/S cookie sheet 13¼x9	3,239	2.87	9,295.93
23	H-88 Anchor Hocking 2-qt batter bowl, clear	1,856	4.95	9,187.20
24	64470 Ekco B/S loaf pan 9¼x5¼	2,844	3.14	8,930.16
25	3323 Dawo copper whistle teaktl dlft handle	538	16.20	8,715.60
26	64200 Ekco B/S 12-cp mffn pn	1,920	4.22	8,102.40
27	9521 AB&I C/Iron chick fry w/lid	465	17.09	7,946.85
28	26032 Wear-Ever prf SlvrStn 12" chf fry pn	630	12.59	7,931.70
29	CM664 Dawo copper 5-pc msr cp st	416	18.45	7,675.20
30	M1400230 Anchor Hocking 1½-qt amb utl rtn/bskt	643	11.07	7,118.01
31	64600 Ekco B/S 6-cp mffn pn	2,016	3.50	7,056.00
32	CM8911 Dawo copper 9" colander	287	23.40	6,715.80
33	CM541 Dawo copper chafing dish	141	47.25	6,662.25
34	0506811 Gen Hswrs col roaster 4-lb bird	1,020	6.28	6,405.60
35	CTK820 Dawo copper 2-qt tktl Amsterdm	308	20.70	6,375.60

GADGETS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	143 Foley nylon baster	12,068	1.52	18,343.36
2	760 Chaney meat therm	6,270	1.97	12,351.90
3	29034 Rhodes timer sht ring asst	1,426	8.08	11,522.08
4	104 Ezv roast rack (24)	1,963	5.85	11,483.55
5	722 Chaney fry-jelly-candy therm	5,826	1.97	11,477.22
6	106AC Range Kleen 8" rflctr pan, G.E.	5,160	1.80	9,288.00
7	CB-33 Prog Int 3-Tr hng bskt cppr	1,146	8.10	9,282.60
8	136 Foley measuring cup 4-pc set	1,632	5.38	8,780.16
9	5939 Tay dial meat	1,218	7.15	8,708.70
10	C2602B Ekco 7-pc blck hndl tool set	1,108	7.73	8,564.84
11	117 Foley rolling pin	1,308	6.28	8,214.24
12	105AC Range Kleen 6" rflctr pan, G.E.	5,868	1.35	7,921.80
13	SVS-19 Steamer bskt-all stnlss	1,818	4.27	7,762.86
14	22516 Rhodes timer long rng asst	645	11.68	7,533.60
15	820 Chaney oven therm	3,948	1.88	7,422.24
16	1003 Chip Clip	4,104	1.70	6,976.80
17	91330 Irving CD wng crkscrw	1,488	4.48	6,666.24
18	722 B Q nut cracker set	3,048	2.15	6,553.20
19	BH-60 Artisto cookbook hldr	594	10.79	6,409.26
20	115OHA Alum fltr fry crsp fltr	1,741	3.58	6,232.78
21	407-C21 Swing-A-Way hnd cn opnr, choc	1,376	4.48	6,164.48
22	407-H21 Swing-A-Way hnd cn opnr, harvest	1,360	4.48	6,092.80
23	77 Wall set 8 poultry lacer	11,485	0.53	6,087.05
24	WB-3BR Prog Int 3-Tr hng bskt brss	735	8.10	5,953.50
25	107-21 Swing-A-Way jnr hnd cn opnr	2,640	2.15	5,676.00
26	3119 Bromwell grater ss lg sq	1,428	3.95	5,640.60
27	NR-435B Tric 5.5" Norelco fltr (300)	3,084	1.70	5,242.80
28	11600 Ekco ck clr rck 10¼x16	1,356	3.86	5,234.16
29	00670 Ekco garlic press	1,686	3.05	5,142.30
30	00350 Ekco stainless flt grtr	2,316	2.15	4,979.40
31	FB Q B nut cracker	3,864	1.25	4,830.00
32	16761 Ekco flint best beater	426	11.25	4,792.50
33	SS-91 Trend steamer bskt 4 qt	708	6.75	4,779.00
34	3000 American Fmly hshld scl, white (12)	354	13.45	4,761.30
35	128 Foley rolling pin	1,104	4.31	4,758.24

Source: Bacar, distributors, San Jose, Calif., Nov. 2 through Dec. 31, 1981.

Copperware Shines For Gift-Giving

The Product Movement Audit covering part of the past holiday selling season held few surprises in the basic cookware or gadget categories. But, the audit, covering Nov. 2 through Dec. 31, 1981, did show the strength of copper cookware and accessories as gift items.

The Dawo copper items listed on the PMA are Far East imports, a program in copperware distributor Bacar added in March 1981 with the introduction of its Culinaria program.

The Dawo copper, according to Jerry Falk, executive vice president of Bacar, has been a highly successful part of the Culinaria concept, the distributor's group of higher-priced cookware and housewares accessories available to customers in a distributor-supplied fixture.

The copper items captured nine places on the PMA with the top seller being the five-piece kitchen tool set followed by the five-piece measuring pan set.

According to Falk, customer interest in copper is continuing as part of the Americana look currently popular in housewares. The copper items are selling both as functional cookware items and as decorative items for the kitchen and dining areas.

In basic cookware, enamel roasters in a variety of sizes were best-sellers during this period of family entertaining and cooking. The top seller on the PMA was General Housewares' roaster, the 15-lb. bird size.

SilverStone items were, as usual, best-sellers with the Wear-Ever 10-in. and 8-in. fry pans taking second and sixth places, respectively.

New to the PMA, and in spot 13, was the low-fat broiler, reflecting the growing interest in low-fat cooking.

In 12th place was the General Housewares Wagner cast iron kettle, an Early American design which is selling as part of an upsurge in the use of wood-burning stoves as an alternate or supplemental heat source. The cast iron kettle on the wood-burning stove is also used by customers as a humidifier.

The top sellers in the gadget category were such items as the Foley baster, the Chaney meat thermometer, Rhodes timers and the roast rack. All the top sellers during this period were, predictably, food preparation items.

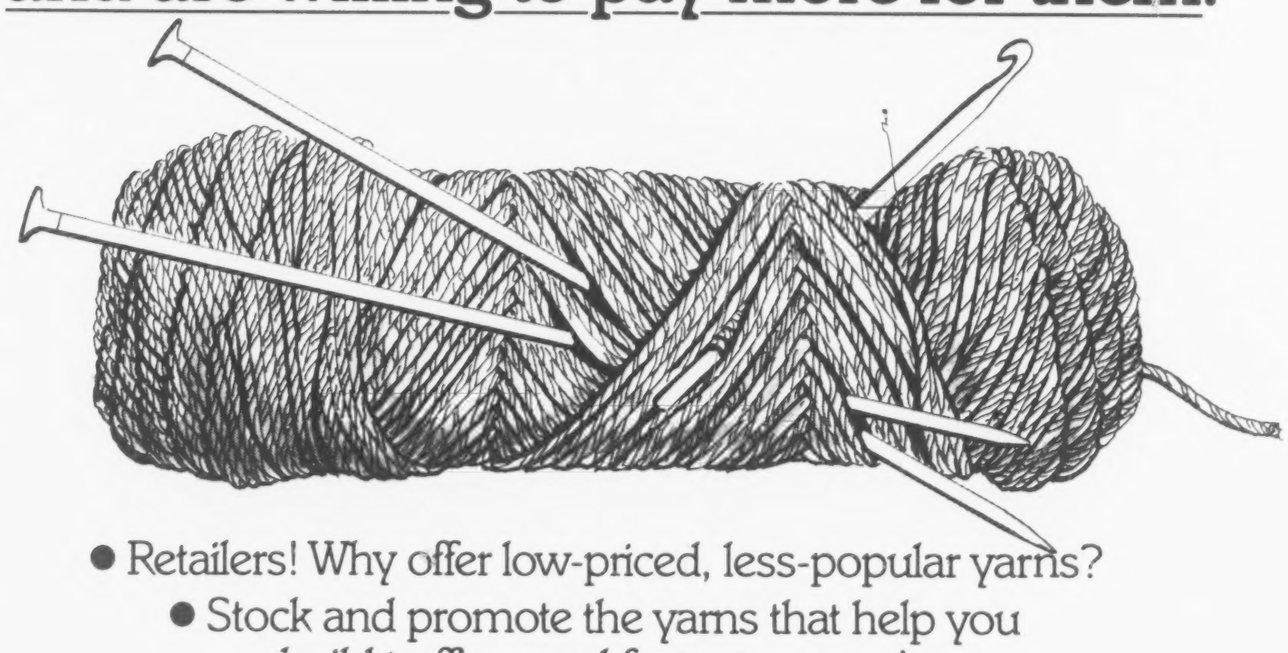
New to the top 15 items on the audit was the three-tier hanging basket in copper. The item took the seventh ranking spot. The same manufacturer's three-tier hanging basket in brass ranked in the No. 24 position.

The three-tier baskets, long a staple housewares item, have picked up in sales with the addition of copper and brass to the assortment.

Three Swing-A-Way can openers made the PMA listing. But, this time they weren't at the top of the listing since their usual top spots were usurped by Holiday cooking items.

Women who knit and crochet have made Wintuk* and Sayelle* the #1 and #2 best-selling yarns.

Proof your customers want quality yarns —and are willing to pay more for them.



- Retailers! Why offer low-priced, less-popular yarns?
- Stock and promote the yarns that help you build traffic... and faster turnover!
- Sell the best-selling yarns in America: Wintuk* and Sayelle.*

Wintuk* yarns of Du Pont Orlon® acrylic — The shape keeper — *Du Pont Cert. Mark

Sayelle* yarns of Du Pont Orlon® acrylic — The dependable one — *Du Pont Cert. Mark

Worth their price...and more.

MAN MADE FIBERS MADE LIFE BETTER

*Du Pont certification mark for yarns meeting its fiber content specifications.

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HEALTH & BEAUTY AIDS

BAR SOAPS AND LIQUID SOAPS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Dial Soap Bath Size 1 Fr Wth 3 5 oz	197,298	1.44	284,109
2	Ivory Soap Personal 0.09 Off 4 Pack	232,740	0.83	193,174
3	Coast Bath Soap 1 Fr Wth 3 4 Pack	59,616	1.68	100,159
4	Dove Soap White Bath	141,840	0.66	93,614
5	Ivory Soap Bath 3 Pck 0.10 Off 5 oz	145,224	0.59	85,682
6	Jergens Soap Bath 4.75 oz	324,150	0.26	84,279
7	Dial Soap Bath 5 oz	147,168	0.48	70,641
8	Dial Soap Bath 0.20 Off 3 Pck	47,616	1.24	59,044
9	Soft Soap Assorted Prepack 10.5 oz	35,820	1.42	50,864
10	Jergens Soap Personal 3 oz	227,808	0.19	43,284
11	Zest Soap Bath	72,432	0.54	39,113
12	Ivory Soap Personal 4 Pack	34,992	0.92	32,193
13	Safeguard Soap Bath Size	59,112	0.54	31,920
14	Lux Bar Soap 5 oz	96,288	0.33	31,775
15	Shield Deodorant Soap 3.5 oz	85,344	0.35	29,870
16	Camay Soap Bath Size	53,496	0.53	28,353
17	Coast Bath Soap 5 oz	49,824	0.56	27,901
18	Irish Spring Soap Green 5 oz	55,200	0.48	26,496
19	Soft Soap Gold 10.5 oz	17,220	1.42	24,452
20	Soft Soap Brown 10.5 oz	16,716	1.42	23,737
21	Yardley Lavender Lqd Sp 17.5 oz	11,760	1.98	23,285
22	Shield Deodorant Soap 5 oz	43,440	0.52	22,589
23	Work Soap Liquid Soap 10.5 oz	12,768	1.74	22,216
24	Soft Soap White 10.5 oz #15716	15,480	1.42	21,982
25	Soft Soap Boxed Gift	14,520	1.42	20,618
26	Safeguard Soap 2 Pck 0.12 Off Bth	20,232	0.96	19,423
27	Yardley Cocoa Butter Lqd Sp 17.5 oz	9,744	1.98	19,293
28	Caress Bar Soap 3.5 oz	49,632	0.38	18,860
29	Lifebuoy Bar Soap 5 oz	45,888	0.39	17,896
30	Safeguard Bath Sp 0 20 Off 2 Pck	16,812	0.88	14,795

TRIAL SIZES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Dietac Maximum Strength 7 Count	41,040	0.99	40,630
2	Aqua Net Hair Spray 2.5 oz	68,256	0.57	38,906
3	Baby Fresh Take Along 12's	57,096	0.63	35,970
4	Just Dip Polish Remover 1 oz	52,416	0.55	28,829
5	Bic 4-Pack Shaver	62,496	0.46	28,748
6	Final Net Hair Spray 2 oz	61,008	0.47	28,674
7	Babe Splash Cologne 1.25 oz	48,240	0.55	26,532
8	Yardley Liquid Soap 2 oz	78,768	0.32	25,206
9	Jheri Redding Shampoo 2 oz	59,616	0.42	25,039
10	Tickle Deodorant 2 oz	58,272	0.42	24,474
11	Maybelline Nail Color Assorted	63,792	0.38	24,241
12	Faberge Liquid Soap 2 oz	85,536	0.28	23,950
13	Brut 33 Splash On Lotion 0.5 oz	65,952	0.35	23,083
14	Vidal Sassoon Shampoo Gentle 2 oz	49,824	0.41	20,428
15	Faberge Organic Shampoo 2 oz	72,144	0.28	20,200
16	Signal Mouthwash 1.5 oz	74,400	0.27	20,088
17	Pacquin Hand Cream 1.2 oz	46,296	0.42	19,444
18	Diaperene Baby Corn Starch 1.5 oz	68,448	0.27	18,481
19	English Leather Aftr Shv Ltn #161	21,888	0.84	18,386
20	Miss Breck Hairy Spray Pump 2 oz	32,976	0.55	18,137
21	Shower Shaver 1 Pack	53,136	0.34	18,066
22	Vidal Sassoon Shmp Fnshng Rmstrzr 2 oz	43,560	0.41	17,860
23	Flex Shampoo and Conditioner 2 oz	65,232	0.27	17,613
24	Revlon Super Nail 5/8 oz	32,340	0.54	17,464
25	Silkience Conditioner 2 oz	52,512	0.31	16,279
26	Topal Fluoride Toothpaste	14,976	1.04	15,575
27	Jojoba Shampoo and Cndtnr 2 oz	35,136	0.44	15,460
28	Butler Toothbrush and Floss	14,976	1.02	15,276
29	Johnson & Johnson Wsh Clths Trvl 12 Cnt	21,168	0.71	15,029

Source: Boston Distributors, Maple Heights, Ohio. Feb. 2, 1981-Feb. 7, 1982.

Trial Sizes, Bar Soaps Make Good

Trial sizes and bar soaps continue to be growing and profitable categories in health & beauty aids, according to Boston Distributors.

In trial sizes, the lower-priced items predictably contributed the largest number of unit sales in this Product Movement Audit covering Feb. 1, 1981, through Feb. 7, 1982.

The audit showed that, for the most part, items with movement of more than 60,000 units were priced at 50¢ or below.

But, Charles Bowlus, vice president of merchandising for the Maple Heights, Ohio-based distributor, said that part of the strength of trial sizes is that most items, at a variety of price points, sell well. Although sales do increase over the summer months when customers are traveling, the category has become a strong year-round business.

Recognizing the strength of trial sizes, more manufacturers are making them available. Some are still reluctant to come out with them at the same time a new product is introduced; others realize the trial-size route can be an excellent way to entice customers into trying a new product since it requires a very small investment.

Helene Curtis, for instance, plans to use trial sizes as part of its strategy in launching Finesse. The manufacturer of Selsun Blue shampoo is using trial sizes simultaneously with increasing advertising in an effort to grab a larger share of the dandruff shampoo market.

More manufacturers, such as Faberge, with several items, and Johnson & Johnson and Scott, with baby wipes, are making trial sizes available on a continuity basis.

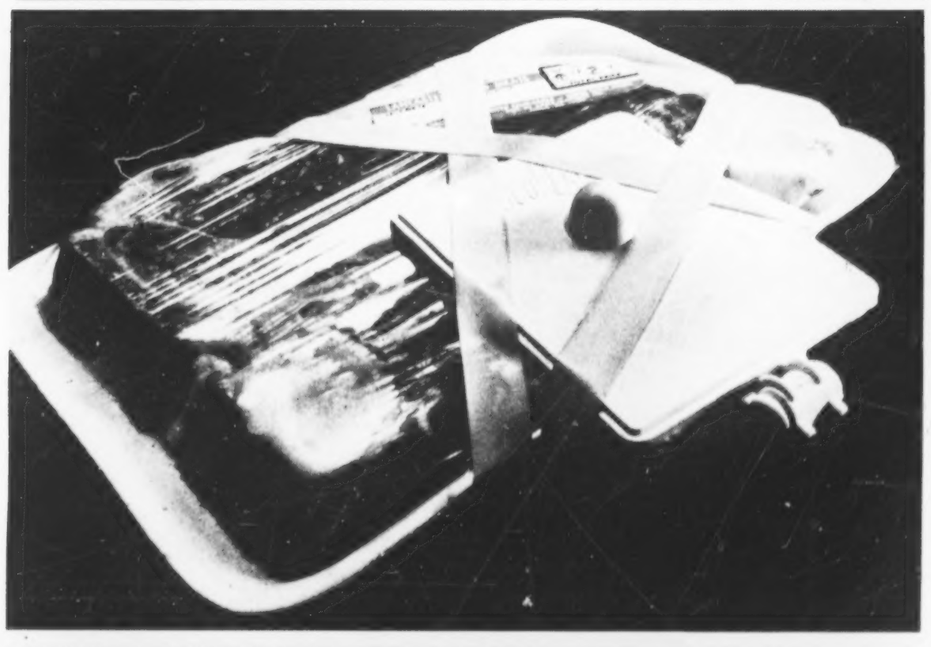
This continuity, plus low price, placed Faberge's liquid soap in the No. 12 ranking on the PMA and its Organic Shampoo in No. 15.

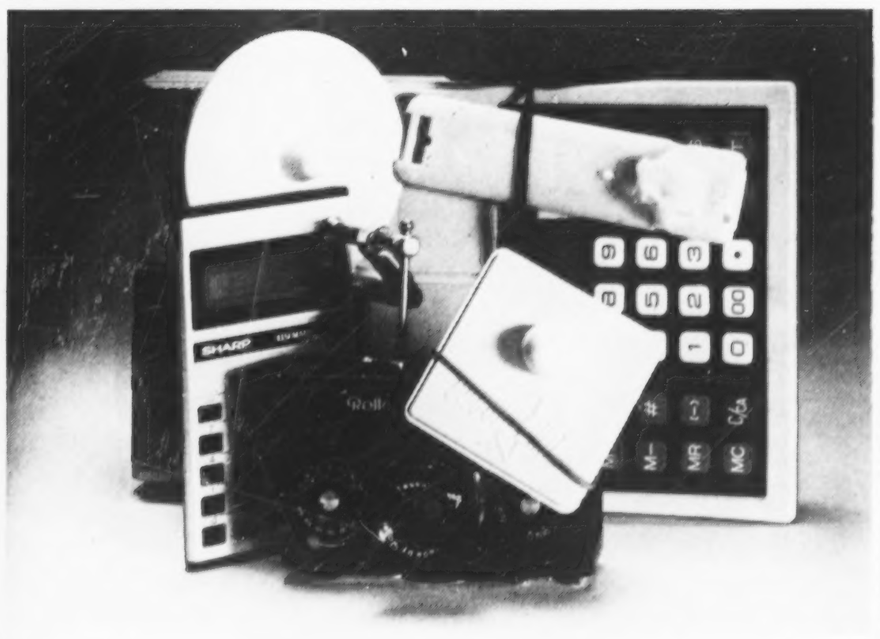
According to Bowlus, sales of trial sizes, plus their respectable gross margins of 30% and higher, have prompted many discounters to multilocate them in the department. While end-caps and checkout counters are frequently used, several chains are also planogramming them in gondola runs.

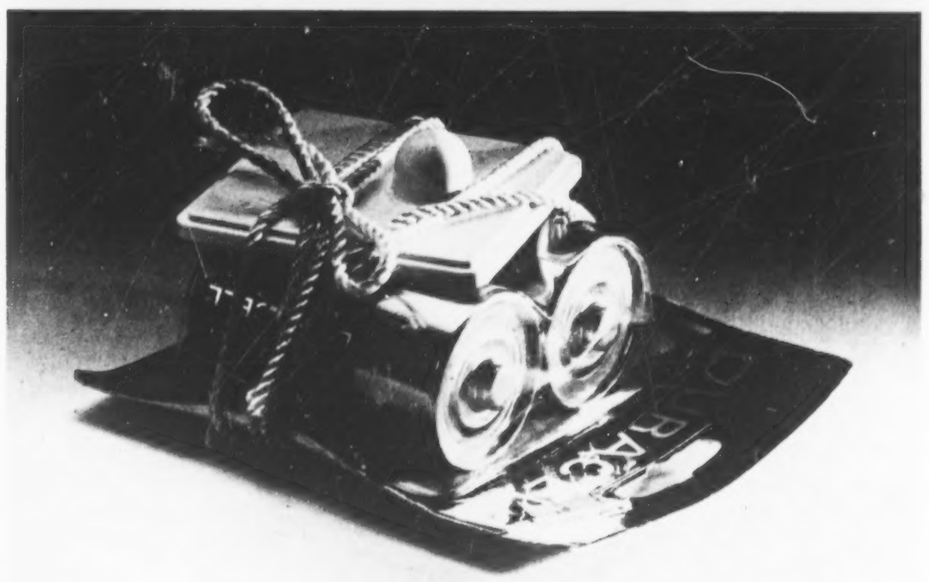
It is not uncommon, said Bowlus, for those stores having the room for it to give trial sizes an 8-ft. section stocking as many as 40 items. Trial sizes also provide good returns on bottom shelf space, a location where many items don't sell well.

As for bar soaps, in the past they were frowned on as a category that wasn't a money-maker. But the PMA demonstrates that discounters are now successful in using the promotional packs and cents-off deals in bar soaps as traffic draws. Promotional packs of Dial, Ivory and Coast took the top three spots on the audit.

The PMA also shows that although liquid soaps have been very successful, and excellent ad items, they still aren't bringing in the tonnage movement of basic bar soaps.







Hard tags were designed to protect a limited variety of merchandise—primarily clothing.

The problem is, while they're pinned to your jeans, dresses and jackets...the shoplifters are stealing everything else in your store.

INTRODUCING THE STIKKER™ AND THE STOPPER™. NEW, HIGH TECHNOLOGY WEAPONS TO WIN THE SHOPLIFTING WARS.

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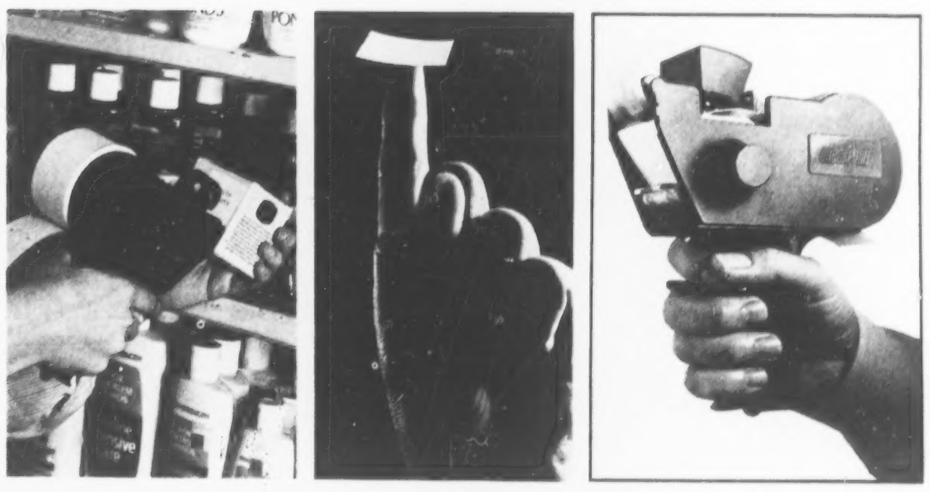
The STIKKER is a small, pressure sensitive, electronically detectable label. The STOPPER is a modified, conventional label gun that dispenses STIKKERS.

Together, they're the only anti-shoplifting system that lets you secretly, quickly and inexpensively protect the wide variety of items in your store.

Necessity is the mother of invention.



The smallest anti-shoplifting label ever developed, the STIKKER looks like any ordinary store label. It can protect everything from housewares to drugs, from carded items to candy.

And because you can apply STIKKERS with the STOPPER, you can protect your vulnerable merchandise faster than ever before.

Best of all, the system is economical; for just pennies per item, you can protect just about everything in your store with a STIKKER. Including clothing.

Find out about the anti-shoplifting system that shoplifters can't outsmart. Contact Checkpoint and ask about the STIKKER and the STOPPER, the last weapons you'll ever need to win the war on shoplifting.

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HOME IMPROVEMENT CENSUS

DIY Increasingly Means Home Decor

Nationwide DSN Report

Home improvement is coming to mean home furnishings for much of the industry, as the number of chains carrying lumber decreases, and interest in furniture and decor items increases.

King's dropped out of home improvement over the past year with 47 units, while Payless and Howard Bros. were among those who cut back. Rink's, one of the major expansion chains in DIY, is scaling back offerings in paneling, while Ann & Hope is considering a move to drop lumber.

Chains such as Bradlees, Wal-Mart, T.G. & Y. and Woolco, which were all into lumber and other DIY categories before dropping out over the past two years, have already changed focus both on the sales floor and in promotions, sku-ing toward home decor items such as furniture and floor coverings.

Fishers Big Wheel is the latest to follow that line of reasoning: The chain has decided to change over its 69 DIY departments into home furnishings departments, with roll goods such as carpeting and bag goods such as concrete to be the only remaining major DIY categories.

Lines including unfinished furniture will be dropped at Fishers while finished furniture stock has already been expanded to include price points more than twice as high as before, which had topped out at $50 compared to today's $129.

Discounters often average 31%-40% gross margins on home decor items while lumber categories carry margins of 21% to 23%. Volume DIY business in home improvement is still being done, but by an increasingly smaller base of chains.

Major expansion chains over the past year have been K mart, Rink's, and Meijer's. K mart added 83 units and 365,200 sq. ft. of DIY space. Rink's was second in expansion by unit, with 15 more DIY departments now than a year ago, totaling 67,500 sq. ft. Meijer's, which added eight units, was second-largest expander in the industry on a space basis, adding 88,000 sq. ft.

Jamesway and Fishers Big Wheel have five more units each than a year ago in home improvement. Murphy's Mart and Danners have added four units each and S. E. Nichols and Fred Meyer are both three units ahead of last year.

Still Undecided

Expansion plans for the year ahead are uncertain at most chains, though Rink's will have an additional five units operating by December as it changes Ontario stores over to Rink's prototypes. Meijer's, virtually chainwide with the department, will have at least one more when a new store is opened this month. Nichols, which has only 10 stores without home improvement centers, plans to add four this year.

(Continued on page 56)

17 Chains Plan 79 Centers

Rank by Sq. Ft.	Chain	No. DIY Depts. 3/1/82	Average Sq. Ft. of Depts.	New Depts. Planned by 1/31/83*
1	K mart	1,113	4,400	60
2	S. E. Nichols	34	20,000	4
3	Fred Meyer	42	15,000	2
4	FedMart	30*	15,500*	0
5	Meijer	27	11,000	1
6	Rink's	60	4,500	5
7	Danners	18	10,000	0
8	Murphy's Mart	69	2,500	3
9	Jamesway	31	5,000	0
10	Consolidated	8	11,000	0
11	Payless	11	6,000	0
12	Jefferson/Ward	65*	900*	0
13	Fishers Big Wheel	69	750	3
14	Click	6	6,000	0
15	Ann & Hope	3	7,000	1
16	Howard Brothers	1	20,000	0
17	Gee Bee	3	2,000	0

*Some figures are DSN estimates. Source: DSN Research.

Building plans are relatively slim in home improvement centers for the coming year, which many merchandisers blame on the slump in housing starts and falloff in demand for lumber and other DIY categories. Discounters now operate 70 more units than a year ago in DIY.

Rink's Becomes a Top DIY Growth Chain

TOLEDO, Ohio—Rink's has become one of the leading expansion chains in home improvement, with 15 more DIY departments than it had a year ago and another four planned by the end of this year.

The expansion burst is due to a changeover of 19 Ontario stores to Rink's prototypes, but it signals Rink's dedication to the DIY concept. Both Ontario and Rink's are owned by Cook United.

The company decided to convert Ontario stores to Rink's a year ago.

Though many chains have pulled back from home improvement during the last two years, largely following the downturn in housing starts, Rink's senior vp Sol Norflus said the chain has a long-term commitment to the category:

"We have experience; we've been in this for 12 years. Home improvement has followed the building business, but this is a temporary trend. We're not cutting back."

What Rink's is doing is to reduce 1982's additional departments in size. Whereas older DIY departments averaged 5,000 sq. ft., new units average closer to 4,000.

"Where we had 12 sku's, we are moving to 10 sku's; we are working to reduce slow-moving items," a merchandiser at the chain said of the newer departments, where narrowed assortments will include a reduced lumber section.

"Paneling business has dropped off, and we are cutting back by four to six sku's," the merchandiser said, adding that while cuts were basically at the high end the chain already limited its stock to panels at or under the $10 price point.

Rink's will also benefit because paneling ties up large inventory dollars, being purchased by 50- or 100-sheet increments. Rink's basic lumber assortment emphasizes 2x4 studs, occasional promotional buys on short 2x4's, and pine boards for shelving, while staying out of dimensional lumber.

The chain prides itself on maintaining a large number of categories in home improvement. Vanities are represented by 10 sku's located between plumbing and electric runs. Only display models occupy the sales floor, but the chain is considering a move to put some backup stock out on the floor as well.

In fencing, a category which some chains with DIY departments keep away from, Rink's carries both wire and wood stock. Wire fencing is merchandised entirely within the department, while wood fences are split between the DIY department, a bull-pen area outside the store, and some units are cross-merchandised in other parts of the store.

In plumbing, the chain carries both carded items and open stock, and goes way up to such high-ticket items as water heaters. Rink's also maintains an open-stock program in nails, with in-store scales for weighing out the desired amount.

"We try to stay as close to a hardware store image as possible," the Rink's merchandiser said. "We are known for being hard lines oriented, and the customer knows if he wants to come in for a bolt we're going to have it."

The merchandiser admitted, "It's a hard department to get turns out of, and margins, but if you keep at the basics you can turn it." To that end, Rink's promotions recently have stressed featured paneling (5/32 in.) at $5.97, 2-ft. x 4-ft. ceiling panels at $1.29, and toilet seats at $4.97.

Also stressed in Rink's springtime promotions was breadth of categories, including a bench model drill press ($74.88), carpeting at 29% off everyday price, a tempered glass tub enclosure ($44.88) and melamine paneling for the bathroom, furring strips and floor tiles. A high-ticket home tool was a $129 arc welder (225 amp).

Rink's at present plans no additional DIY departments past the Ontario conversions, which will give the chain 64 departments by year's end. "We're going to put our house in order with the Ontario stores first," Norflus said. Rink's handles its own hard lines merchandising, separately from parent Cook stores.

Fencing Finds a Home

Jamesway, Flemington, N.J., found sales success in its home improvement department by building a pen for the three heights of fencing the chain carries. *(DSN photo)*

Spring Colors Play It Safe

Add to the list of "leading economic indicators" how the apparel market plays it for spring. There is nothing unusual about sportswear for spring in red/white/blue nautical motifs. But, when the look is shown in profusion, as it is for spring 1982, it is a sign that manufacturers are bearish and playing it safe. Caldor, Framingham, Mass. (l.) shows the motif in striped and solid knit shirts with sailor collars, and in a striped blouson knit shirt with an anchor emblem. The fixture displays the shirts with denim jeans. At Bradlees, Hingham, Mass., (r.) a nautical group consists of cuffed pull-on pants, shorts and shirts in white terry with red or blue knit trim. *(DSN photos)*

ARE THE BIG NAMES IN BATTERIES TYING-UP YOUR PORTABLE LIGHTING PROFITS?

Names like Eveready, Duracell and Ray-O-Vac are big names in the battery business. But they're not the ones that will make you money in the portable lighting business.

To collar big profits in lighting, you need Dorcy, the company that knows lighting, specializes in lighting, and has the best portable lighting program in the business. With the fastest-moving SKU's for home, camping, work and play. And with a gross, that's up to 20% higher and a volume potential nobody in batteries can touch.

Find out how our new Portable Lighting Program can help you track down a bigger share of year — round profits. Contact your Dorcy representative or write Ted Davis, President, 3985 Groves Road, Columbus, Ohio 43227. Phone 800-848-9090. In Ohio, call collect (614) 861-5830.

DORCY

Home Decor

(Continued from page 21)

(The shift to home furnishings has come even at chains deeply into DIY, such as Nichols, which has added $200 KD furniture and expanded assortment in floor tiles.)

Excluding K mart, discounters are operating more than a dozen fewer home improvement departments than a year ago. With K mart included, the industry registered a net gain of 70 home improvement centers over the year.

Smaller DIY chains such as Consolidated (owned by Cook United), Gee Bee, Click and Ann & Hope have remained constant in units recently, though Ann & Hope expanded one unit and will add another this year, and Gee Bee is reportedly considering a move to take its DIY departments to other stores (only three units exist at present).

In advertising, S. E. Nichols, K mart and Meijer's are among those who break out home improvement in tabloids through pull-out sections often set apart by being printed on separate-color stock, or by tabloids devoted entirely to home improvement. Nichols instituted its own separate home improvement tab last year, a four-page ad. That chain promotes home improvement in some form 45 to 50 times a year.

Reprint Info

For volume reprint orders at a reduced price, please contact Peter Sulich, promotion manager, Select-Info., Lebhar Friedman Inc., 425 Park Ave., New York, N.Y. 10022, tel.: 212-371-9400, ext. 331.

Target Opens Four For Total of 155

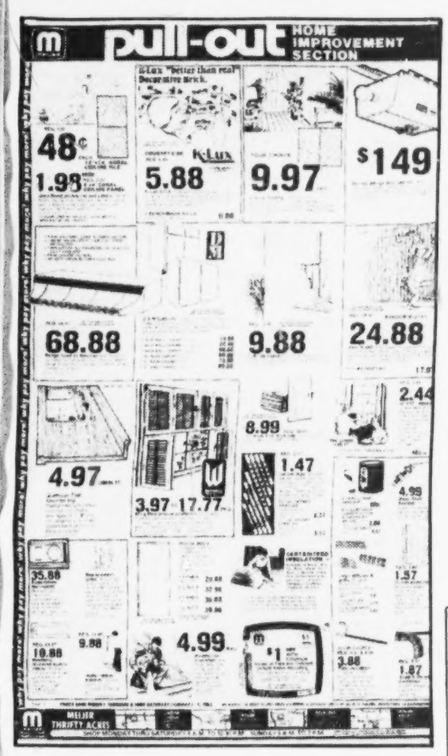
MINNEAPOLIS—Four new Target stores opened this month, bringing the chain total to 155 units in 17 states.

The opening of a unit in Beaumont, Tex., brought Target into a new east Texas market where it will compete with three Gibson's, and one store each for K mart, Woolco and Gemco.

The other three openings included a store in Houston, bringing Target's total there to 14; Littleton, Colo., a Denver suburb, giving the chain nine in that market, and St. Paul, bringing its total to 14 in the Minneapolis-St. Paul area.

HOME IMPROVEMENT CENSUS

Pull-out Ad By Meijer's Is All DIY



GRAND RAPIDS, Mich.—Meijer's Thrifty Acres nailed down some extra DIY business recently by featuring home improvement in a special pull-out section of a 16-page tabloid.

Labeled at the top as a "pull-out home improvement section," the two-page ad was printed on yellow stock to contrast with the newsprint of the tabloid. (K mart has at times taken a similar approach to earmark its home improvement center ads.)

Meijer's DIY departments are among the largest in the industry at 11,000 sq. ft. The breadth of the chain's categories was stressed, as one page was devoted to building supplies and the second featured home furnishings and floor coverings.

Price points in building supplies ranged from 48¢ (for 8-ft. furring strips or 1-ft. x 2-ft. ceiling tiles) to $68.88 (range hood) on almost 50 sku's. Cuts of everyday price were commonly 16% to 18% (plywood), although deeper promotional cuts of 25% (interior doors), 28% (water heater jackets) and 32% (unfinished furniture legs) were also taken.

Categories in addition to basic home improvement goods such as countertops, wall facings, ceiling tiles, insulation and shutters included four sku's of unassembled interior doors, barnboard and window glass. Meijer's merchandises glass in 40 precut sizes or custom-cut.

In home furnishings, which many discounters are turning to today as they reduce their emphasis on lumber, the highest ticket was a $247 four-piece set of cane furniture. Bar stools, audio center shelving, oriental-style rugs and carpet remnants were also featured. Although the low ticket in home furnishings was a $6.97 speaker stand, the average ticket was a hefty $63.97 for the 10 home furnishings sku's.

Top Apparel Chains Boost TV Ad Play

NEW YORK—Discounters take note: The top specialty apparel stores increased their television advertising 39% overall for the first nine months of 1981, compared to the previous year.

Total estimated advertising in the specialty apparel store category was $30.3 million.

Hardware Dept. Sales per Ft. Rise 4.2%

	1971	1976	1977	1978	1979	1980	1981	5-year change	10-year change	'81 vs. '80
Dept. Size (sq. ft.)	2,200	4,400	4,450	3,195	3,210	3,215	3,215	−26.9%	+46.1%	NC
Annual Turns	3.6	3.5	3.3	3.1	3.0	2.9	2.8	−20%	−22.2%	−3.4%
Volume per Sq. Ft.	$73	$114	$114	$122	$133	$143	$149	+30.7%	+104%	+4.2%
Initial Markup	39%	40%	41%	39%	41%	42%	41%	+2.5%	+5.1%	−2.4%
Gross Margin	33%	35%	35%	34%	36%	37%	36%	+2.9%	+9.1%	−2.7%
Company-Run	89%	94%	92%	92%	94%	94%	94%	NC	+5.6%	NC

NC—No change. *Source: DSN research*

Discounters registered slim hardware department volume gains from the previous year during 1981, despite a slight increase in promotions at most chains.

The 4.2% gain in sales per square foot was thus achieved on a drop in both initial markup and overall gross margin. Turns continued to slow down, in a shift which has been occurring for five years.

Changes in merchandise mix, private label programs in categories such as paint, and a general rise in importing merchandise have been factors in the slight increase of initial markup and gross margin for the last five years. This trend has helped discounters to counteract the slower unit-movement's effect on the bottom line.

Merchandise trends in home improvement have included a tremendous boom in ceiling fans, both promotional and trade-up units, and in small kerosene heaters.

Introducing 5 new profit makers from DAP...the name your customers trust most.

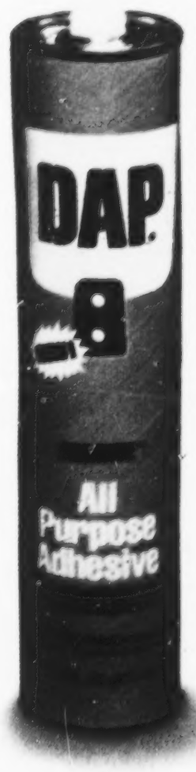
"Today, DAP is the name your do-it-yourself and contractor customers trust most when it comes to caulks, fillers and adhesives.

"That's because DAP products have always been the highest quality. They're easy to use, last for years, and have the greatest advertising support.

"And, like always, DAP makes sure you get the right products at the right price points, with the right support programs, to insure faster turns and better profits."

New DAP Acrylic Latex Caulk with Silicone
Easy-gunning acrylic latex based caulk with superior adhesion and flexibility plus excellent moisture and mildew resistance. Easy clean up. So durable **it's guaranteed for 20 years.** Exceeds ASTM Specification C-834. Dries for painting in just two hours. Adheres to a wide variety of surfaces, and can seal between similar and dissimilar materials.

DAP Flexiseal Sealant
New packaging. The clear choice in clear sealants. Provides a nearly invisible seal that lasts for years. Won't dull out like the others. Stays flexible. Tough enough for sealing everything from gutters and skylights to building joints. Transparent bead assures joint compatibility with surrounding materials.



New DAP Duratite All-Purpose Adhesive
Excellent quality, waterproof, general purpose adhesive that provides a stronger than nail-tight bond for building materials. Simplifies paneling installation. Acts as an electrical, thermal and acoustical insulator. Tan color.

New DAP Duratite 2000 Construction Adhesive
A high strength, multi-purpose adhesive with excellent resistance to heat and moisture. Bridges gaps. For interior and exterior use. Eliminates squeaks in floorboards and stair treads. Minimizes nail pop. For fastening wood panels, furring strips, thresholds, marble sills, bathroom fixtures, and much more.

New DAP Duratite 4000 Subfloor & Plywood Adhesive
A professional quality, superior strength construction adhesive with excellent bridging qualities. Exceeds APA Specification AFG-01 and performance requirements of FHA HUD Bulletin UM-60. It offers excellent temperature and chemical resistance, and can even be applied to wet or frozen lumber. Ideal for tough jobs including subfloors, underlayment, composite panels, thresholds, stair treads, shingles, and much more.

DAP

Most trusted name in caulks, fillers, adhesives. And profits.

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HOME IMPROVEMENT CENSUS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	POWER TOOLS			
1	2401 Dremel moto-tool kit w/acc	140	33.87	4,741.80
2	919/PR19 Wen 3" belt sander	61	84.78	2,975.58
3	DA101 Skokie holesaw adj to 2½	318	6.48	2,060.64
4	L25HK Lenk hobby iron	172	11.08	1,905.76
5	1600 Wen reciprocating saw	36	44.32	1,595.52
6	21C Wen elec pencl w/carbide tip	231	6.61	1,526.91
7	16/L25 Lenk 25W soldering iron	244	5.83	1,422.52
8	2930 Ver/Amer powerbit set	369	3.95	1,457.55
9	571 Dremel moto-shop saw/sand comb	20	68.37	1,367.40
10	580 Dremel 4" tilt table saw	13	87.61	1,138.93
11	3701 Dremel moto dit/35 acces var	17	57.32	974.44
12	WP745 Skok 7¼ plywood blade	430	2.17	933.10
13	88S/LC75 Lenk 75 W soldering iron	111	8.20	910.20
14	K600 Skokie Router bit 6 pc set	51	17.60	897.60
15	2200 Wen drill cordless rev 3/8	20	44.32	886.40
	HOME IMPROVEMENT			
1	RT-25 Manco/Arno duct tape	8,448	1.05	8,870.40
2	2'x4'x⅛ pegboard	3,400	1.25	4,250.00
3	DT-42 Manco carpet tape 1½ x 42'	2,124	1.92	4,078.08
4	101 Deflecto heat deflector promo	3,744	0.97	3,631.68
5	10x25 Poly sheeting 4 mil clear	576	5.12	2,949.12
6	D-10 Manco duct tape 2" x 10 yd	2,256	1.28	2,887.68
7	955 Idal I/O 24x42 CPT mat brn tweed	192	11.03	2,117.76
8	956 IDAL I/O 24x42 CPT Mat green tweed	186	11.03	2,051.58
9	220 Hoyne clear mirror tile, 6 pk	304	6.83	2,076.32
10	993 Ideal H.D. blk welcome mat	372	5.19	1,930.68
11	40302-36-1 Peer chain prf-¼-100	14	135.10	1,891.40
12	050/17000 Clear vinyl runnr 27x125	16	108.62	1,737.92
13	X18A T. Temper alum snow shovel	246	7.08	1,741.68
14	SP41X Therm fiberglass pipe wrap 25'	1,152	1.41	1,624.32
15	123 Standard equip Z-shelf bracket	1,512	1.10	1,663.20

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	TOOLS			
1	UL1000 Bernz propane blowtorch	2,281	10.00	22,810.00
2	TX9 Bernz fuel cyl	6,312	2.68	16,916.16
3	T50 Arrow staple gun chrome	626	16.14	10,103.64
4	JT25 Bernz torch kit plastic box	402	21.41	8,606.82
5	MP9 Bernz Medina fuel cylinder	2,796	2.38	6,654.48
6	307-01 Spitfire home repair kit	174	26.82	4,666.68
7	SB 201-4 Screwball driver w/socket	308	14.19	4,370.52
8	PL-19 Waterloo 19" box one tray	384	10.26	3,939.84
9	PL425 Stanley tape 25' Powerlock	320	11.75	3,760.00
10	JT10 Bernz torch kit	288	12.99	3,741.12
11	143 B C natural 3" clamp	1,698	2.07	3,514.86
12	JL-22 Waterloo 20" box 2 drawer	75	47.80	3,585.00
13	301-01 Spitfire brazing torch	294	11.79	3,466.26
14	JT21 arrow staple gun	372	9.08	3,377.76
15	T55 Arrow staple gun/tacker	251	13.33	3,345.83
	ELECTRICAL			
1	12/2 Romex w/ground, 250' per box	2,166	32.90	71,261.40
2	12/2 Romex w/ground, 50', boxed	2,133	9.74	20,775.42
3	34256 Norelco Mercury vapor light	284	46.39	13,174.76
4	½ Conduit 10' length	4,930	2.00	9,860.00
5	1215IV Lev. ground duplex receptacle	12,100	0.63	7,623.00
6	12/2 UF w/ground 250' per box	162	45.08	7,302.96
7	1629D1 Paulding P.C. porcelain recp	2,947	1.82	5,363.54
8	1215BR Lev ground duplex receptacle	8,150	0.63	5,134.50
9	471 Raco 2¼ bevel old work box	6,145	0.82	5,038.90
10	TLM2012S GE 125 ampbreaker box	88	54.78	4,820.64
11	100 ft. 12/2 Romex w/ground, boxed	231	18.49	4,271.19
12	4170/151-6-8 ½ clamp-on light	720	5.81	4,183.20
13	1330IV Lev s/pole switch click	4,430	0.82	3,632.60
14	660 Raco box handy 4x2x¼"	5,600	0.63	3,528.00
15	145IIV Lev s/pole quiet switch	3,820	0.89	3,399.80

(Continued on page 31)

Hardware Dept. Post-Yule Sales Please Buyers

Despite a nationwide belt-tightening by discounters during the post-Christmas season, buyers were generally satisfied with hardware department sales levels in the typically slow early-year period.

Overall, hardware-related merchandise showed signs of rebounding from a 1980 slump that saw items once considered basics—particularly among the higher retail price-point goods—become fringe items.

Last year the trend was reversed as the fringe items once again became "never outs," according to Steve Plecko, tool merchandise manager for Stem Distributing, Maple Heights, Ohio.

Plecko reported "a more optimistic attitude at the retail level" regarding the tool category, explaining many discounters now feel they can capitalize on the rebounding business by featuring basic, everyday hand tools.

As for the power tool category, it "went well because we concentrated on basic assortments," according to Ray Fondran, the distributor's power tool merchandise manager. Although Stem looked to trim its power tool line, it has not yet gotten out of Skil or cut back on its Wen stock as previously planned.

In the latest Product Movement Audit, covering January 1982 results, three of the top 15 total dollar movers belonged to Wen, with Skil not represented on the listing. First place this time went to Dremel's moto-tool kit with a total dollar movement of $4,741.80 on the strength of 140 units sold at an average retail of $33.87.

With many discounters getting out of the expanded home improvement business, Stem's sales in the category "improved over 1980," according to Ed Russ, the distributor's executive vice president. Many

(Continued on page 31)

Pressure-Sensitive Labels Seen Hot

NEW YORK—Pressure-sensitive labels stick out as the leading growth category in labeling products, according to a new study by Frost & Sullivan, marketing research firm.

In *The Label and Label Equipment*, pressure-sensitive labels are heralded as holding strong positions in retail, pharmaceutical, electronic data and office labeling for the next five years.

The report predicts a 52.6% increase in sales of equipment for production of pressure-sensitive labels by 1986 as an indication of the category's strength. Sales are projected to move from $19 million to $29 million.

But according to the study, heat-seal labels—currently a category not fully developed—could make inroads in pressure-sensitive labeling's future. Sales of equipment for glue and heat-seal labels are expected to increase 35% from $21.5 million to $29.2 million.

Easy does it.

Everything about Dow Corning® 100% Silicone Rubber Caulks and Sealants is easier. Including the way they sell.

An extended, 20-year warranty and an improved, easier-to-use formula head the list of features today's energy-conscious homeowner expects from Dow Corning 100% silicone rubber caulks and sealants marketed by DAP.

An extensive product line with unique, award-winning, full-color packaging makes it easier for your customers to identify and buy what they need without increasing your selling time.

A full schedule of consumer ads and new P.O.P. display units and materials will help you increase turns during peak selling seasons.

It's all part of a growing package of benefits Dow Corning 100% silicone rubber caulks and sealants offer you and your customers.

Easier to buy.

Nothing beats the ease of ordering all your caulks and sealants from a single source, your DAP sales representative. Make your product selections from a full line of both organic and silicone products. Your order is processed and shipped as a single order—saving you shipping costs; administrative time; paperwork and simplifying inventory control.

Easier to sell.

Throughout the year, DAP will be offering special trade and consumer promotions on Dow Corning's line of silicone caulks and sealants. Each consumer promotion is backed with in-store P.O.P. materials to call attention to the special offer. It all adds up to increased profit for you.

For more information on how to increase your caulks and sealants profits in 1982, contact your DAP representative or write Silicone Product Manager, DAP Inc., P.O. Box 277, Dayton, OH 45401.

We make it easier to do it better.

DAP®

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HOME IMPROVEMENT CENSUS

Sales Please

(Continued from page 29)

chains that have chosen to remain in the category have bought from distributors to avoid carrying excessive stock in higher-ticket DIY items. During the cold Midwest winter months, items such as dryer vent heat savers, poly sheeting and weather strip tape all appeared on the list of top dollar movers.

Energy-saving items continued to dominate the most recent listing, with duct tape, a heat deflector and poly sheeting occupying three of the top five spots on the chart. The reasoning behind the surge in energy-saving items is the ever-escalating cost of home heating. Homeowners were quick to install plastic sheeting on all nonstorm windows and were also busy performing other heat-saving tasks throughout their dwellings.

In the electrical category sales were good, with a minimum of seasonal sales in the mostly basic business. The Romex 12/2 250-ft. extension cord with guard continued to be the category's top grossing item. The product once again occupied the top spot in the electrical listing, remaining there since the December 1981 listing. Stem's electrical buyer

(Continued on page 34)

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 29)			
	PAINT			
1	1699C GL Lucite Int enamel	808a	15.58	12,588.64
2	50 gal Lucite house trim white	816	14.56	11,880.96
3	2386C gal Lucite wall ceiling wht	800	12.00	9,600.00
4	0041 Formby aerosol paint remover	1,620	4.40	7,128.00
5	2360C gal Lucite wall white	540	12.00	6,480.00
6	2329C gal Lucite wall ant white	480	12.00	5,760.00
7	0013 Formby 32 oz furniture refinish	600	8.54	5,124.00
8	1629C gal Lucite int enamel ant white	300	15.58	4,674.00
9	1800C gal Lucite ext enml white	288	15.58	4,487.04
10	0010 Formby 16 oz furniture refinish	756	4.59	3,470.04
11	2250C gal Lucite house trim s/gloss white	216	16.26	3,512.16
	PAINT SUNDRIES			
1	40011 WD-40 Rust preventative, 9 oz	8,388	2.00	16,776.00
2	0910 Perm-E-Lastic Spackling comp	6,552	1.14	7,469.28
3	40015 WD-40 Multiuse lubricant, 12 oz	2,232	2.47	5,513.04
4	LN601S Macco liquid nail adhesive	3,912	1.38	5,398.56
5	101B Viking caulking gun	3,108	1.58	4,910.64
6	FS145 Clear Macco fix-n-seal, 11 oz	1,560	3.13	4,882.80
7	FS145 white Macco fix-n-seal, 11 oz	1,416	3.13	4,432.08
8	1304S/G104-AO-73 EX 4 pc brush set	2,341	1.84	4,307.44
9	200 BX Krazy glue, 0.07 fl oz	3,930	1.09	4,283.70
10	938-TAP-90 EZ 3 pc paint set	1,573	2.60	4,089.80
11	Shur-caulk penco wht caulk compound	5,400	0.57	3,078.00
12	E701 Borden Carpenter Wd glue, 8 oz	1,824	1.56	2,845.44

(Continued on page 34)

FedMart, in one of its Houston units, uses endcap space for a manufacturer display of outdoor security lights. The endcap acts as a lead-in to a gondola run of desk lights. *(DSN photo)*

Nonfood Stores Sell $6B Food

NEW YORK—Shoppers are buying nearly $6 billion a year in food at nonfood stores, primarily discounters, drug chains and other general merchandise stores.

The total includes millions of dollars in food coupons redeemed in 1981 at chains such as K mart, Woolco, T.G. & Y. and Murphy's Mart, according to *Food Merchandising For Nonfood Retailers*.

Coffee and tea were big categories at traditional nonfood stores, and more than $40 million in tea and $60 million in coffee were sold in those units, according to the publication.

Discounters commonly run food items in multiples—such as Woolco's two-for-$1 sale of Brillo boxes (10 pads per box)—to give them higher-ticket sales. The pricing structure also helps to undercut supermarket prices, where Brillo may be 59¢ a box in the same market.

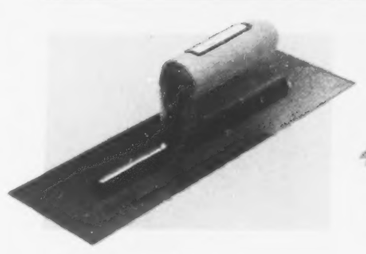
Woolco food buyer Frank Salvadore said the chain cherry-picks food items to be used as traffic draws. "That's why many of the best food buys you see today are in drug and discount stores," he added.

Hills Employees Aid Hospital

PITTSBURGH—A check totaling $17,358.76 in contributions from employees and customers of the 16 Hills stores in the Greater Pittsburgh Area was presented during the annual Children's Hospital Telethon on KDKA-TV.

Hills employees have been involved with the Hospital Fund Drive for four years now, and last year, as in previous years, contributed toys to the children and decorations for the Children's Hospital Telethon set.

New products added to the Hyde line for your DIY customers!

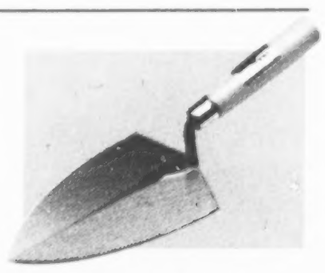


New Trowels. Full range of cement, floor and wall. All types and sizes, notched and pointed.

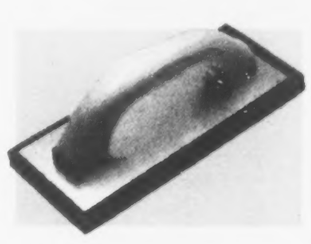
Adhesive Spreaders. New Hyco Brand with "V" or square notched blades. Budget priced!

Cement Edger and groover trowels. Polished steel blades, mountings with hardwood handles.

Adhesive Applicators. Low cost, 4 models notched for asphalt, vinyl, ceramic tiles, linoleum.



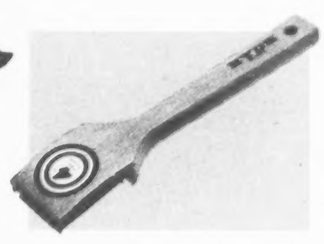
Tile Trowel. 7" high carbon steel blade, 4½" heel with hardwood handle to set tiles.



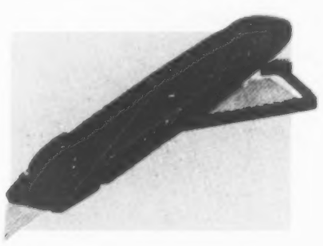
Floats. Rugged construction for grouting tile and masonry work. Rubber base, aluminum back.

Tile Nippers. Forged steel carbide tipped edges with return spring. Cuts tile up to ½" thick.

Wall Saw. Deep set sharp teeth for wallboards, etc. Good steel and sturdy handle.



Paint Scraper. 12" long handle, angled scraping head, with 4 edge carbon steel blade. New!



Utility Knife. Features 3 position front loading blade plus storage of 3 blades in handle. New!

Good news! Major lines now packed 5 each in stock boxes for fast turnover and minimum investment.

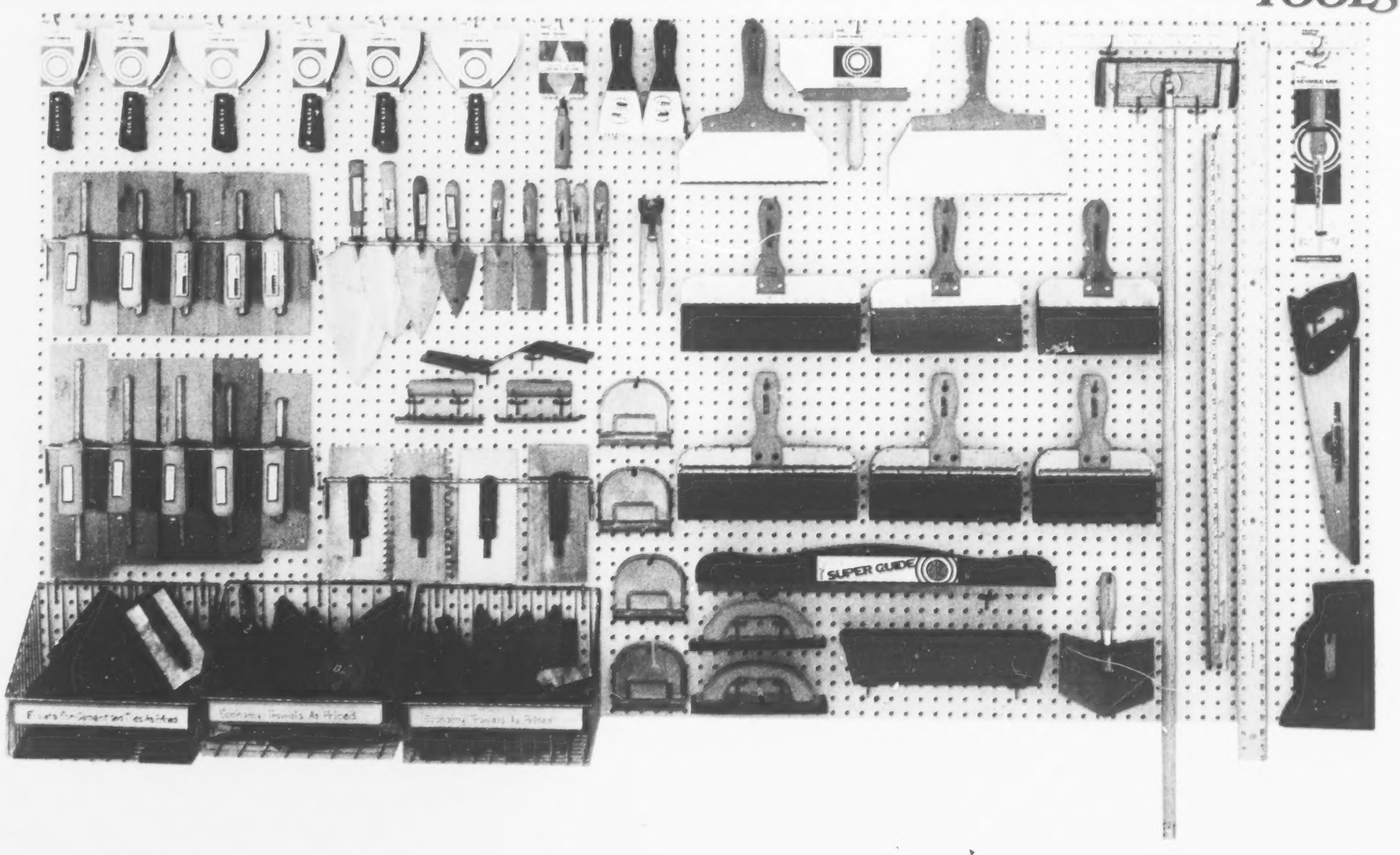
For more sales, more profit from more satisfied customers in your store, we've added these new tools for wallboard, flooring materials, tiles, cement and masonry projects.

Hyde promotes a one source of supply for you...a one stop time and energy saving service for your DIY customers.

The complete range of Hyde Tools now includes putty knives, paint scrapers, wallboard tools, cement and tile trowels, flooring knives, wallpapering tools and many other tools for surface preparation, redecorating, restoration and home improvement.

Write for information on this complete line of tools and our point-of-sale service programs. Hyde Tools, Southbridge, MA 01550.

HYDE TOOLS



HOME IMPROVEMENT CENSUS

Rink's features caulks in good-better-best pricing and cross merchandises them with guns on Norwalk, Ohio, store endcap. Inside run uses cut-case and binned displays. *(DSN photo)*

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 31)			
	PLUMBING			
1	Mark II B grade toilet comp white	722	54.89	39,630.58
2	ST5 40 NSRT 40 gal gas heater 5 yr	237	155.75	36,912.75
3	½ CPVC pipe 10' length	7,950	2.21	17,569.50
4	PM3600 Flo plastic pump-pedistal	192	75.44	14,484.48
5	½ M Hard copper 10' length	3,750	3.45	12,937.50
6	4331 Aquastream kit faucet single	425	24.09	10,238.25
7	L1100 Aqua kitchen faucet sgl cont	295	32.60	9,617.00
8	SS1000 Plaskol 32" shower stall	70	132.40	9,268.00
9	4201 Aquastream lav faucet w/pop-up	309	29.01	8,964.09
10	SC3000 Flo cast iron pump-submers	72	121.99	8,783.28
11	S2500A Flo sump pump-submers-auto	98	90.01	8,820.98
12	1½ PVC DWV sch 40 pipe 10' lg	1,888	4.27	8,061.76
13	MV18E CP14 BWD vanity w/top 19x17	103	77.99	8,032.97
14	NE3322 Neptune 22x33 SS sink	179	39.09	6,997.11
15	NMR 3322 Neptune 22x33 SS sink	101	67.14	6,781.14
	IMPORTS			
1	A3001/ECO 1½ ton hyd floor jack	277	58.50	16,204.50
2	DP3MJ 3 speed 8" drill press	134	105.00	14,070.00
3	T440 int/sls 40 pc socket set	828	9.00	7,452.00
4	T208 Int/Sls 3/8 dr 8 pc deep skt setq	853	6.75	5,757.75
5	DB500 ¼HP 5" bench grinder	136	40.50	5,508.00
6	T206/RAT-F38 3/8 DR flex ratchet	830	4.54	3,768.20
7	T183 Int/Sls 5 pc combo wrench set	666	5.17	3,443.22
8	A2500 Int/Sls impact driver	674	5.25	3,538.50
9	T199 Int/Sls 7 pc cod handle s/d setbg	552	4.48	2,472.96
10	T198 Int/Sls 4 pc wood handle s/d setbg	991	2.47	2,447.77
11	10x12 Import shelf brackets	3,344	0.67	2,240.48
12	8x10 Import shelf brackets	4,310	0.51	2,198.10
13	T221/02-248 21 pc ½ & 3/8 Socket set	311	6.75	2,099.25
14	T109 Int/Sls 21" bow saw	582	3.25	1,891.50
15	T40 Int/Sls 4" bench vise	126	14.27	1,810.62

Source: Stem Distributing, Maple Heights, Ohio. For January 1982.

Sales Please

(Continued from page 31)

Wayne Dixon said the item "sold well throughout the year, doing a steady rather than spurt business." Dixon said most of the cords were bought by sophisticated DIYers who needed the cords to complete work on extra rooms added to houses, garage maintenance and other home-related repairs.

January results showed continued strong showings in shorter extension cords, although they did not place among the top 15 dollar movers. Electrical accessories such as a porcelain receptable and a clamp-on light replaced the 6- to 15-ft. cords in past charts.

As for the plumbing category, Dixon said sales were "better than expected," a prime reason being the severe winter weather that enveloped much of the Midwest. End-of-the-year sales saw the distributor's stock of water heaters substantially reduced due to the large amount of replacement units needed by homeowners.

A glance at January's results showed many consumers were catching up on needed sophisticated plumbing repairs. The appearance of the Mark II toilet bowl unit, at an average $54.89 retail, as the category's top dollar mover, emphasized the continued health of the plumbing business.

Other somewhat high-ticket merchandise that appeared on Stem's printout were a gas heater, pump-pedestal, shower stall, cast iron pump and vanity with top. The items placed second, fourth, eighth, ninth and 13th on the chart, respectively, with the highest ticket honors going to the NRST gas heater retailing for $155.75.

'Baby Boomers' Prefer Discounters

COLUMBUS, Ohio—"Baby Boomers" shop discount stores most frequently.

This is one of the conclusions of *The Baby Boom Generation: Where They Shop,* a study by Management Horizons, a marketing research and management consulting firm. The study details shopping habits of those born between 1947 and 1962.

Discount stores are listed as the primary choice for children's apparel, leisure, recreational and hobby merchandise categories. The study finds Baby Boomers attracted to discount stores by price, quality and convenience.

Broken into two categories, the report also finds "early boomers" (aged 19 to 26) choose mass merchandisers Sears, Penney and Ward as their second preference, while "late boomers," aged 27 to 34, prefer department stores as second choice.

Forecast Good For Appliances

CHICAGO—Appliance manufacturers have forecast 1982 shipments of 32.3 million major appliances for an increase of 6.5% over 1981, according to a report released by the Association of Home Appliance Manufacturers (AHAM).

The largest increase is projected for microwave ovens, with shipments of 4.7 million units.

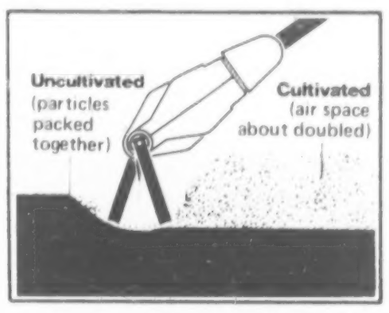
Won't dance, won't skate.

The incredible potential for a light weight electric weeder-cultivator to tap a huge yard and garden market has long been recognized. Quite a few such cultivators have been introduced over the years.

Trouble was, you couldn't find one that worked very well. Until now. Until the Green Machine Model 700.

At last, an electric weeder-cultivator that really works

Historically, light-weight cultivators have employed a rotary action. Tilt one while gardening and watch what happens. It runs away from you, dances up and down, and skates to the side. That won't happen with The Green Machine weeder-cultivator that uses a unique system of twin reciprocating blades instead of the rotating kind. The Green Machine's back and forth blade action lets you guide it with the greatest of ease. A powerful motor operates a geared drive-train that is rugged and dependable. Double edged spring-steel blades almost magically slice beneath topsoil, cutting all weeds in their path while churning and aerating. It's a truly amazing high-torque action that has to be experienced first-hand to be fully appreciated.



Continual weeding and cultivating is essential to the growth of healthy, vigorous yard and garden plants. Proper cultivation aerates the soil, almost doubling the volume.

The hit of the shows

Appreciation was exactly the reaction at the NRHA and GIA shows. Hands-on, in-action demonstrations drew record crowds and unprecedented praise. If you haven't yet shared this experience, contact your Green Machine distributor or write or call now. The Green Machine weeder-cultivator may very well become the most popular yard and garden tool you'll ever sell. Even if it doesn't dance.

HMC,
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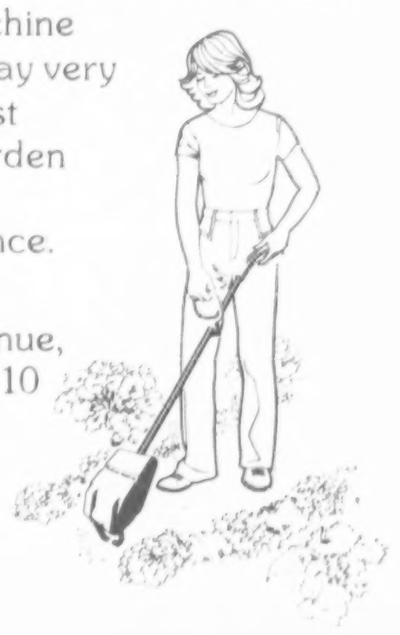
Long Beach, CA 90810
(213) 603-9888



***The Green Machine*®**
electric weeder-cultivator

Get the Most From High-Tech Point-of-Sale Equipment

By Stephanie M. Shern
Partner, Arthur Young & Company

Electronic point-of-sale equipment is commonly in use at sales counters in stores all over the country. However, retailers have been slow to exploit all the information available from these devices.

Here's a brief look at some of the ways electronic point-of-sale equipment can be used to improve a retail operation.

PERSONNEL PRODUCTIVITY

Modern point-of-sale technology can provide detailed information about personnel productivity and performance that is more usable because it is stored on electronic media, and it can be summarized and reported through a data processing system. Store operations personnel can now take information to the employees to discuss productivity trends and provide insights into their performance.

Major Changes

In the days of mechanical point-of-sale equipment, store managers did not have data-analysis capabilities readily available, but this has all changed because of today's technology.

Recently, we were asked to perform a study of the use and effectiveness of "wanding"—a process in which the operator uses an electronic "wand" to scan a small rectangle of black and white bars imprinted on packaging to record price and other information about the item. Our client was surprised when we informed him that the data needed for this study was already available.

A Closer Look

Most electronic point-of-sale equipment identifies with a code the method of data capture (wanding vs. keying). In addition, the equipment captures wanding failures, rejected data, and other important information. Our client found that the data they needed to analyze had already been captured. All we had to do was develop software programs to analyze and summarize the data.

In addition to measuring the performance of employees, we were also able to provide data to the personnel and employee training departments to help them improve employees' performance.

PERSONNEL SCHEDULING

Electronic point-of-sale equipment allows personnel scheduling decisions to be made on the basis of complete information. For example, data capture makes it possible to develop statistical analyses, providing objective data on manpower needs not only by day of the week and by sales promotion, but also by hour of the day.

The analysis also can reveal the need for part-time employees and can help in scheduling personnel for the various peaks and valleys of sales activity in a given department.

STORE SCHEDULING

Electronic point-of-sale equipment also can provide the data necessary to analyze store scheduling. One retailer recently changed his store hours as the result of an analysis technique involving monitoring the number of sales per hour. One finding was that the volume of sales during the first half hour a suburban store was open did not justify opening the store at an early hour.

Similarly, the retailer looked at the last half hour of the selling day and found that the concentration of sales in suburban stores might justify extending the selling day. This company adjusted its selling day with very favorable results by scheduling its selling hours to follow these transaction patterns.

In Agreement

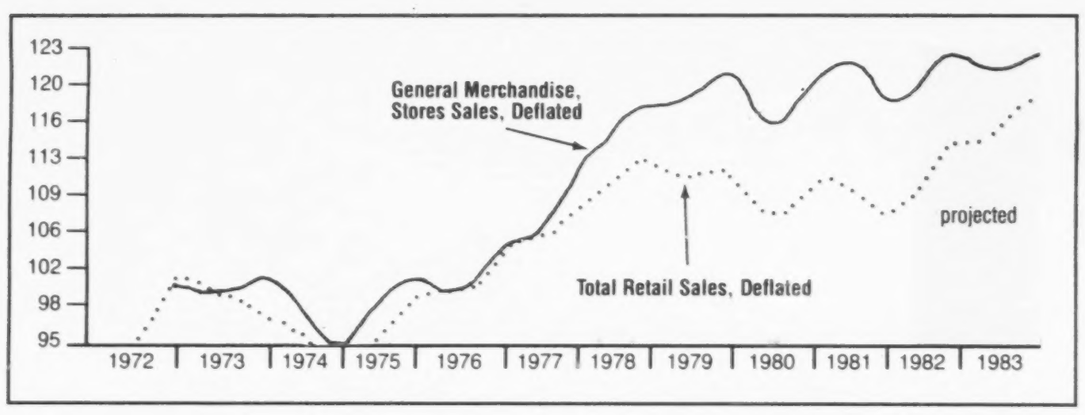
Other retailers who use electronic point-of-sale equipment have experienced similar successes when they analyzed major sales events and found that the concentration of transactions justified opening their stores earlier.

The potential for using more information—properly summarized to make it meaningful for management personnel—is virtually unlimited. The data base from electronic point-of-sale equipment is already there, and software can be developed to make it valuable to the planning and decision-making processes.

Stephanie Shern, C.P.A., is a former chairman of the New York State Society of Certified Accountants' retail accounting committee, for which she has conducted various seminars, and is a member of the board of the Metropolitan (New York) Retail Financial Executives Association. She is also a member of the National Mass Retailing Institute, the National Retail Merchants Association and the American Institute of Certified Public Accountants.

Econocycle

Discount Store Sales Still Sluggish; Rebounding in May



General Merchandise/Discount

	Sales Change By Quarter								12-Month % Change		
	'81 1Q %	'81 2Q %	'81 3Q %	'81 4Q %	'82* 1Q %	'82* 2Q %	'82* 3Q %	'82* 4Q %	1980 %	1981 %	1982* %
Sales include Inflation	7.9	12.5	9.5	5.0	2.5	2.2	6.5	10.2	5.9	8.6	5.4
Real sales (Deflated)*	0.9	5.8	3.2	−0.3	−2.4	2.7	1.3	3.6	−1.5	2.4	−0.1

Base = Dec. 1981 Sales
*Projected

After months of nagging pessimism, consumers seem to be turning confident about the economy again. But they still aren't ready to shell out hoarded disposable dollars for major purchases any time soon, according to the latest soundings of the Conference Board.

This outlook goes hand-in-glove with current Econocycle projections for general retailing over the next few months.

Consumer spending gains will probably be modest at best, the new Conference Board study indicates. Its latest consumer confidence index reading (calculated on a 1969-70 base of 100) moved up to 61.2 in January, an increase of 1.8 points over December.

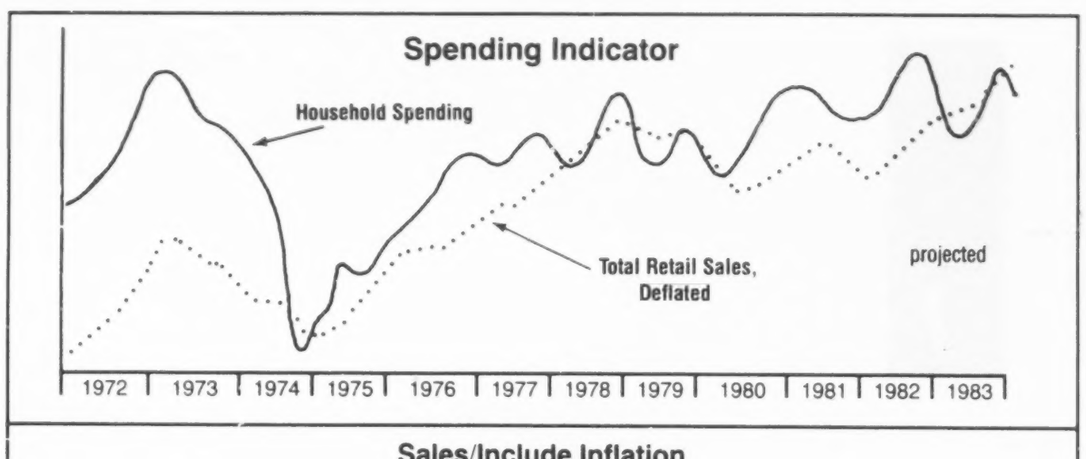
The turnaround in attitude hints at an improving economy and mirrors L/F's own spending indicator (below) which now sees a clear "recovery path" opening up for general retailing in the second quarter—although at a slower pace until year's end.

The L/F Econocycle forecast for discount stores sees continuing sales sluggishness over the next two months. Sales declines of 2%-3% through April will start reversing in May as the spring selling season takes root.

Overall, discounters are heading into a moderate recovery and by the half should be matching and beating '81 volume figures, the computer model projects.

General retail sales will be off 1%-2% next month, roughly half the rate of decline during the first three months of the new year. The retail economy should take on a healthier glow as sales edge upward through the second quarter.

- Food-service volume next month will go ahead 1% for the first time this year.
- Apparel specialty outlets have already turned the corner on 1982 and are heading for increases in the second period. Look for gains of 1% in March-April.
- Department stores project 2%-3% declines before nosing upward again in May.



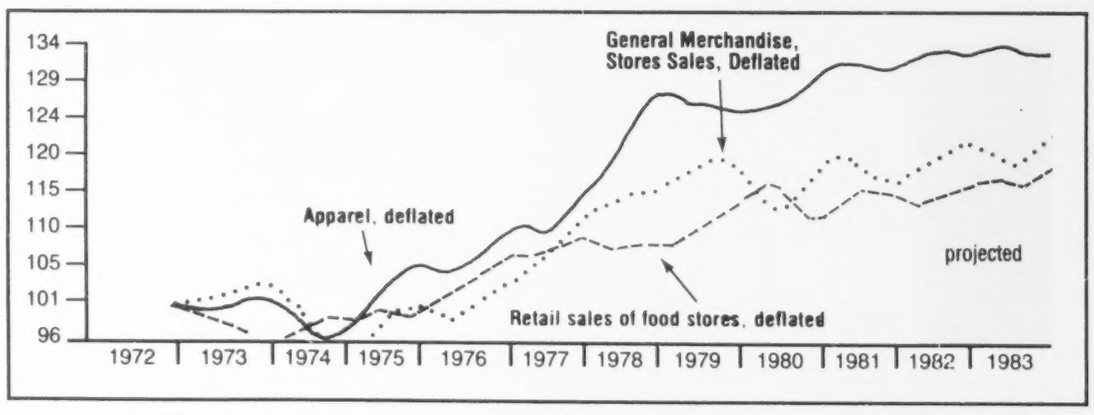
Sales/Include Inflation
% Change By Quarter

		Total Retail Stores	Food Stores	Eating & Drinking	Building Materials Hardware Stores	Drug Stores	Furniture & Appliance Stores	Apparel Stores	General Merchandise Stores	GAF Stores
1981	1Q	9.9	10.5	7.4	8.4	10.4	8.4	9.8	7.9	8.4
	2Q	12.3	10.7	11.4	15.2	10.3	9.0	8.7	12.5	10.9
	3Q	10.2	9.4	10.0	7.4	8.7	5.0	8.3	9.5	8.5
	4Q	6.2	7.9	9.8	−6.2	5.2	2.5	5.9	5.0	4.6
1982	1Q	3.1	7.6	8.3	−10.1	5.4	1.3	2.3	2.5	2.2
	2Q	3.8	7.4	7.6	0.7	5.3	7.5	4.4	2.2	3.8
	3Q*	5.4	8.0	11.4	10.7	6.3	9.3	4.9	6.5	6.7
	4Q*	7.6	9.1	10.9	15.0	6.9	8.1	5.7	10.2	8.8
% change 12 mos.	1980	7.5	10.8	8.7	−3.2	11.9	4.7	4.6	5.9	5.4
	1981	9.6	9.6	9.6	6.0	8.6	6.2	8.1	8.6	8.0
	1982	5.0	8.0	9.6	3.6	6.0	6.5	4.3	5.4	5.4

Real Sales (Deflated)*
% Change By Quarter

1981	1Q	0.4	−1.4	−2.1	−1.2	0.2	2.2	5.9	0.9	2.2
	2Q	3.6	0.4	2.1	6.0	0.3	3.0	4.5	5.8	4.9
	3Q	2.4	1.2	1.1	0.5	−1.1	−0.6	3.9	3.2	2.5
	4Q	−0.4	3.0	1.6	−11.1	−3.9	−3.1	2.6	−0.3	−0.3
1982	1Q	−2.4	1.9	1.8	−13.1	−2.1	−4.6	−0.8	−2.4	−2.5
	2Q	−0.6	−1.0	0.9	−2.9	−0.3	0.2	1.3	2.7	−1.2
	3Q*	2.5	−0.9	4.1	3.7	2.1	1.1	2.0	1.3	1.4
	4Q*	5.4	−0.4	3.3	5.5	3.0	0.0	2.2	3.6	2.6
% change 12 mos.	1980	−2.7	3.0	−0.7	−12.4	2.5	−1.4	0.1	−1.5	−1.2
	1981	1.5	0.8	0.6	−1.6	−1.1	0.4	4.2	2.4	2.3
	1982	1.2	−0.1	2.5	−2.2	0.6	−0.9	1.2	−0.1	0.0

Base = Dec. 1981 Sales
*Projected



About Econocycle

The source for the L/F Econocycle index is the Econostat Applied Economic Research Unit of The Hague, Holland. This unit consults for Government and major corporations on three continents. Its projection techniques are based on the Econocycle System, a computerized system designed by the Econostat team of economists.

Because of the changing pace of inflation in the United States, retail sales figures in the L/F Econocycle projections have been adjusted to take account of inflation. All statistics are shown in *real* terms. The charts (above, facing) represent the trend cycle. The data has been seasonally adjusted and smoothed—and is updated each month. Source for current sales and the deflator series is the U.S. Dept. of Commerce.

Where an *Index Base* is indicated, all data is converted to index numbers, starting from a common base (=100) in order to establish meaningful performance comparisons.

C5150-3 4/4/82

The Growth of Ethnic H&BA: Pp. 14, 19
Catalog Showroom News: Pp. 2, 3, 20

Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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1981 Saw Big Sales Gains, Mixed Profits

Nationwide DSN Report

The first round of year-end results released by discounters reflect the balancing act last year's economic stagflation forced the chains to play.

Most chains, with the exception of Heck's and Woolworth/Woolco, turned in double-digit sales gains. But things were different at the bottom line, with only a few chains, notably Wal-Mart and Zayre, posting earnings gains that matched or exceeded sales advances. Operating income results at Venture showed that chain 40.3% ahead of the previous year.

But, at most chains, including K mart, Heck's and Duckwall-ALCO, sales gains were bought with precious gross margin dollars.

Wal-Mart's performance, predictably, topped the charts with sales of $2.44 billion, a huge 48.8% increase over the previous year's sales of $1.6 billion—fattened by the acquisition of 104 Big K stores in August 1981. Comparable-store sales increase was 15%.

The chain virtually matched its sales increase on the bottom line with net earnings of $82.8 million, a 48.7% increase.

Wal-Mart watchers, noting the healthy sales and earnings gains for fiscal 1980 and 1981, better than 40% in each column for 1980, closer to 50% gains in 1981, expect more of the same for fiscal 1982.

One analyst, Walter F. Loeb, of Morgan Stanley, has concluded his original estimate of the chain's performance was too conservative, and he has boosted his projections for 1982.

Sam M. Walton, chairman of the company, projects sales of $3.44 billion in fiscal 1982, a 40% gain. But, he projects sales growth to be 20%-25% in 1983.

At K mart, chairman Bernard M. Fauber said, "Fiscal 1981 sales were slightly above expectations . . . resulting in increased market share."

The chain registered sales of $16.5 billion for the year ended Jan. 27, 1982, an increase of 16.4% over fiscal 1981. But, the discounter bought these sales at the expense of gross margin which slipped to 25.2% of sales compared to 26.7% of sales in 1980.

K mart posted a net income of $220.2 million, a decline of 15.5% from the previous year. A year ago, net earnings had slipped 27.2% from the year before that.

In the future, Fauber said, the company would "devote more management and financial resources to existing stores rather than continued maximum expansion of new retail units."

Analyst Loeb commented K mart's strategy of tighter inventory and cost controls, concentration on its profitable apparel areas, and elimination of the profit-draining major appliances ought to contribute to the chain's long-range earnings recovery. However, he doesn't think K mart is poised for a quick turnaround.

Loeb forecasted a "gloomy" first-half for the chain, partially based on continuing slow spending by K mart's economically hard-pressed middle-to-

(Continued on page 30)

Wal-Mart Leads Advancers

CHAIN	Latest Fiscal Yr. Earnings: % Change	Latest Fiscal Yr. Sales: % Change
Wal-Mart	+48.7	+48.8
Venture	+40.3 (a)	+ 9.0
ADG/Caldor	+34.8	+40.9
Zayre	+26.0	+12.7
Target	+19.0 (a)	+34.0
K mart	−15.5	+16.4
Duckwall-ALCO	−16.4	+14.1
Heck's	−26.9	+ 9.6
Woolworth/Woolco	−47.4	+ 1.3

(a) Operating income — *Source: DSN Research*

DSN • DSN • DSN • DSN • DSN

Digest

April 5, 1982

HARDWARE

- **A severe winter and consumer acceptance of higher prices** have made the paint picture bright for spring. (p. 8)
- **Tradeup and yellow are hot trends for patio goods. (p. 8)**

HOUSEWARES

- **K mart's La Collection Fleurs electrics line may be on the way** out. (p. 10)
- **Imports of iron, steel, copper cookware are up. (p. 10)**

H&BA

- **Discounters are making a major effort in ethnic H&BA, but** still have a far way to go. (p. 14)
- **Ethnic cosmetics is a big challenge and opportunity for** chains. (p. 14)

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FedMart Is Reportedly on Block; Dayton Hudson Held Interested

SAN DIEGO—Executives at FedMart have reportedly begun negotiations to put the 51-unit discount chain on the block.

Dayton Hudson, parent of the Target and Mervyn's chains, is among those said to be talking to the financially beleaguered West Coast retailer.

While Dayton Hudson officials wouldn't comment on whether the company was considering picking up the chain as an expansion vehicle for either or both of its retail divisions, a spokesman at Mervyn's confirmed the chain had been looking at FedMart stores in a number of markets.

Last October, FedMart shuttered its 12 Texas stores. In the last few months, five more stores—four in southern California and one in Arizona—have been closed.

FedMart officials refused to respond to repeated phone calls from *DSN*.

Store Plans

The bulk of FedMart's stores are about 100,000 sq. ft., with less than 10 between 50,000 and 100,000 sq. ft. The remainder, some of which have already been shuttered, range between 20,000 and 50,000 sq. ft. Both Target and Mervyn's prototypes could be adapted to the bulk of those configurations.

Target, Dayton Hudson's upscale discount operation, has been rapidly expanding in the Sunbelt, with stores ranging from 80,000 to 100,000 sq. ft. in markets as far south as Texas and as far west as Colorado.

FedMart's Arizona and southern California stores could make a strong bridge between Target's existing locations and the West Coast, as well as providing a vehicle into the fickle—and under-discount-stored—southern California marketplace.

Mervyn's, Dayton Hudson's more-than-80-unit family apparel and soft line chain, has also been rapidly expanding in eight Western states, with plans to be coast-to-coast within five years. Mervyn's is also planning a major expansion thrust into Texas next

(Continued on page 24)

Shanower, Weaver Out At Fishers Big Wheel

NEW CASTLE, Pa.—Fishers Big Wheel has lost two of its top veteran executives with the departure of vp and gmm Frank Shanower, 42, and vp of finance Thomas Weaver, 40.

They resigned their posts, apparently under pressure.

Chain officials said they had no comment on the departures.

According to vp of sales and marketing, Homer Helter, no replacement has been named for Shanower. Helter said a replacement would be named by the end of May; he indicated the chain's ideal candidate would have a heavy soft lines background.

Shanower, whose background is hard lines, had no comment on the circumstances surrounding his departure.

Shanower was with Fishers for 10 years, serving as vp of hard lines before being named gmm in 1979. Prior to joining the chain, he held merchandise manager of hard lines positions with White Front, then a division of Interstate, and Kroger Family Centers. His career began with Cook United.

Frank Shanower

Fishers has tapped vp of real estate Albert Agostinelli, 35, to fill Weaver's post. Agostinelli, a seven-year company veteran, will also retain his real estate duties.

For the fiscal year just ended, Fishers reported sales of $165 million for its 68 units, compared to $139 million in 1980.

K mart Sets 3-Week Ad Binge As It Blows Out 20 Candles

TROY, Mich.—K mart will boost its advertising levels more than 50% beginning next week, in a springtime promotional push geared to the chain's 20th anniversary.

K mart's plans call for expenditures of nearly 8.6% of its total annual advertising budget in a three-week campaign set to begin April 14. The drive will cut across media channels, using television and radio spots as well as newspaper and magazine ads.

The outlay of $34.5 million in advertising for the three-week period is half again as much as average spending levels—near $21 million—would be for the period. However, timing of the affair will enable K mart to take full advantage of seasonal and high-margin goods such as warm-weather apparel.

"The advertising campaign doesn't correspond to our actual birthday, which was March 1 for the first K mart built in Garden City, Mich.," a chain spokesman said, "but we are considering spring 1982 as our anniversary so we delayed the publicity."

The promotional campaign will mix institutional and item/price advertising, the spokesman said. Central slogan for K mart's blitz will be "20 grand years of savings." Special store events, if any, will be organized at regional or local levels.

For the current fiscal year, K mart's ad budget tops $400 million. This represents an increase of 6.8% from last year's expenditure of nearly $380 mil-

(Continued on page 24)

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Editorial

Expected Recovery Should Help Retail Stocks

By ROBERT Z. CHEW

There's an old Wall Street saw that says retail stocks lead major stock market advances by three to six months. The question always remains, however: When will the trough begin its curve skyward?

It's true retail stocks have fallen on hard times when it comes to getting recommendations from hardnosed security analysts. The last five years have been especially tough, but with the recession bottoming out this year the analysts appear to be giving more and more thumbs-up signals these days.

The green light is being given to the obvious winners, like Wal-Mart, Dayton Hudson and Federated Department Stores, but between the lines analysts are giving the go-ahead signs to the less stellar performers of recent quarters.

K mart, with its recent fiscal 1981 earnings decline of 15% to $220 million on a 16.4% sales increase to $16.5 billion, has been given the nod as a stock with "long-term appreciation potential" by Walter Loeb of Morgan Stanley, New York.

Loeb sees K mart as having an earnings-per-share yield this year of some $2.35, up from $1.75 last year. This may be tough to figure, being that he also predicts "K mart's first-half fiscal 1982 income [will be] gloomy . . . with a major profit setback in the February-April span. . . ."

But, Loeb forecasts a major rebound in the fourth-quarter income, due to shifts into more apparel, elimination of major appliances, and slowdown on store expansion. And, 1983 is looking like a $3.05 earnings-per-share year, Loeb says.

Wall Street rival Goldman Sachs is quite a bit more bullish on K mart this year, with its retail prognosticator Arthur Charpentier putting estimated earnings per share at $2.75 this year, up substantially from the $1.75 level of '81.

Don't get me wrong, retail stocks are not high flyers right now, except possibly in the case of Wal-mart and potentially some new specialty stores aligned with the booming home computer business.

Charpentier's associate Joseph Ellis just issued a report on retail economic indicators that said there were both convincing signs of a consumer upturn and that retail stocks are living late in a lifecycle.

This makes it especially tough for investors. Do you get in now before the turnaround actually gets under way (if you believe the economy has bottomed out) or do you take Ellis' advice which is that the outlook for retail stocks is "average."

Ellis further hedges his bet by saying, "We [Goldman Sachs] advocate the ownership of retail stocks, but in a discriminating cool-headed manner that emphasizes the momentum of individual companies rather than the group as a whole." That's easier said than done.

On the specialty and discount store side Goldman Sachs is pinning its hopes on K mart, Limited Stores and Wal-Mart.

But is the upswing in the economy imminent or will we languish for another year or more?

There are several leading indicators that are indeed bright.

Real average hourly earnings are expected to increase 0.3% and 0.6% in the third and fourth quarters, respectively.

The cut in Federal withholding taxes, which adds up to a 1.7% boost in disposable income, will also put more real dollars in consumer pocketbooks and, hopefully, in the retail marketplace. This indicator generally leads the way for upturns.

Credit usage has slowed from the wild credit card use of the late 1970's that was spurred on by low interest rates. Now, it appears, consumers have slowed considerably credit purchases due to excessive interest rates, paid off debt, and are seemingly gearing up for more traditional spending patterns. In short, a trough has developed.

Wall Street is predicting a strong second half because of those factors and many others, but again it's cautious about the retail industry as a whole during the recovery.

Analysts, it seems, tend to be very bullish on retail stocks during the early stages of the market lifecycle, but retailing's attractiveness wanes during recoveries.

What's important, it seems, is that Wall Street is looking at a recovery and retailing is always part of the advance guard in an upsurge. With the recognition of an upswing more investors are undoubtedly going to start taking a sharper look at the sharp retail operators.

Washington Beat

ARF Sees Higher Retail Sales, But Vulnerable Profits

By John S. Friedman

WASHINGTON—What lies ahead for retailing?

Some answers are offered in a new report just issued by the American Retail Education Foundation, chartered by the American Retail Federation. Its findings are important to discounters.

In mid-1981, the report notes, 20.8 million people were employed in wholesale and retail trade, of which 15.4 million were in retailing.

In 1980, the latest year for which figures are available from the Government, all retail sales equaled some $956 billion, while gm stores accounted for some $116 billion, up from $109 billion in 1979.

However, inflation has hurt. *Business Week* revealed in a scoreboard of company performance for 1980 that three retailers were in the top 25 of the nation's corporate giants for sales; but in the list of the top 25 for earnings, no retailers appeared.

Statistics further reveal that retail price increases in the last 15 years have been substantially less than the increase in the general price level

In 1979, the consumer price index (C.P.I.) rose by 11.6%; the general merchandise price index (GMPI) by 5.7%. And in 1980, the C.P.I. rose by a whopping 13.3%; the GMPI by approximately half—7.7%.

The report points out the extension of credit and the increase in bankruptcies in recent years have imposed a heavy financial burden on retailers. One medium-sized firm that does much of its sales on credit discovered while sales increased 9.3% in 1979, its interest charges increased by 33.1%.

Consumer bankruptcies, according to the director of the U.S. Court's Administrative Office, jumped from 197,000 in fiscal 1979 to 410,000 in calendar 1980. Sears suffered an increase in bankruptcy losses in 1980 of 120% over 1979 losses; Ward by 117%.

Energy costs—even with the current decrease—are expected to add significantly to retailer bills. One large chain, which spent $110 million on energy in 1979, estimates its energy costs will rise to $510 million by 1990.

Sweeping changes in technology, however, may affect retailing more than any other developments. Video discs may enable customers to select items from TV screens in stores or in homes. Shoppers could also obtain performance ratings and other product information by a two-way cable TV hookup or through a joint telephone-TV connection.

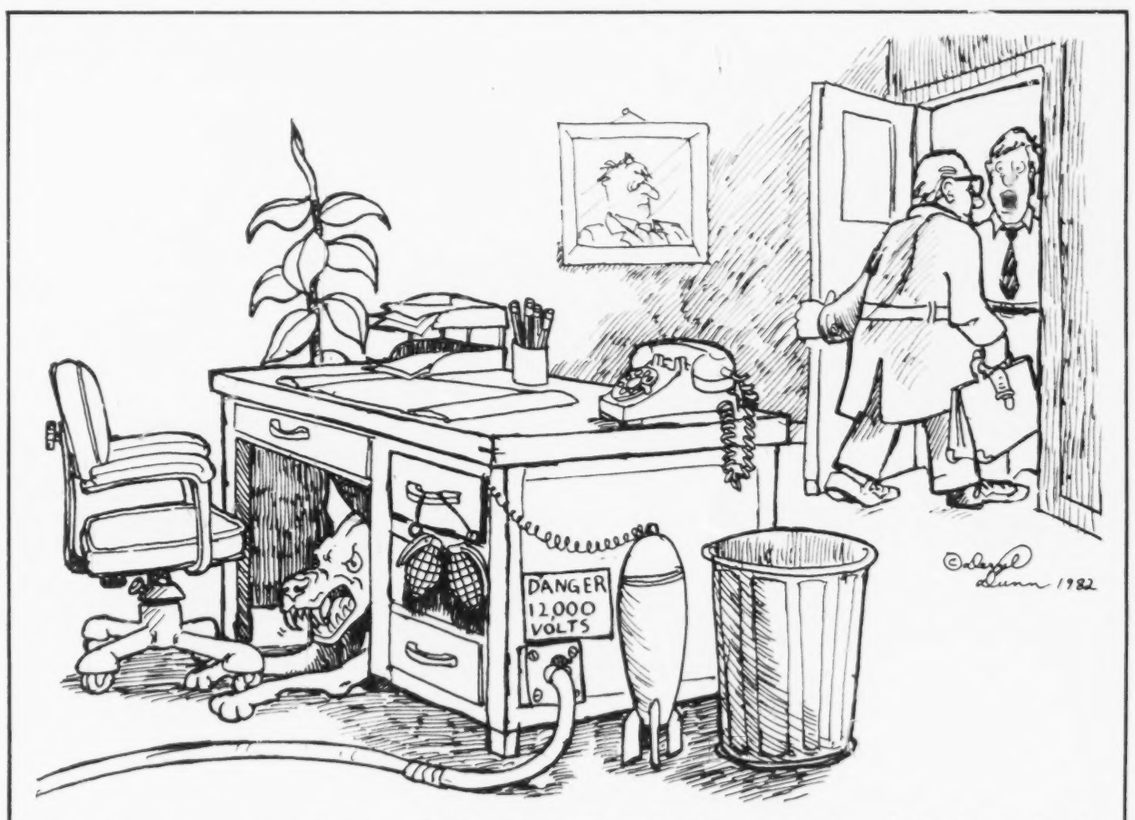
Electronic messages and electronic mail will increasingly come into widespread use during the next decade.

Retailing will also be affected by new automation which will witness the growing use of robots and computers.

But overall, "prospects for retailers during the balance of the 1980's appear less promising than those prevailing a decade ago," a Standard & Poor's survey cited by ARF concludes. During the 1970's, "Sales were boosted by rising employment and real incomes inflation-hedge buying, wider use of cheap consumer credit, and greater consumer reliance on asset appreciation than on savings."

Inflation raised operating costs "more rapidly than sales during the latter 1970's, and strong efforts will be required to arrest this trend," Standard & Poor's notes.

The facts and interpretations in the ARF's report, "Retailing 1982," reveal competition will be stronger and increased profits will depend on sound management.



But how can you feel safe leaving the day's cash receipts in a desk drawer?

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HOUSEWARES

Is K mart Plowing Under 'Fleurs'?

TROY, Mich.—K mart is cutting back on its La Collection Fleurs, adding that the private label line of traffic electrics may be headed for extinction.

The discounter launched the line in 1980 and expanded it in 1981.

According to a spokesman, the chain is phasing out "certain" items from the seven-sku line, but a decision has yet to be made on discontinuing the entire group. The spokesman declined comment on which, or how many, items were being dropped. But, all items in the collection are currently being offered at "clearance" prices in the stores.

Given K mart's originally stated reason for introducing La Collection Fleurs, it seems unlikely that the discounter would continue offering two or three items from a line of seven.

Why It Was Done

The collection was launched because K mart's consumer research showed customer demand for a color-coordinated line of fashion kitchen electrics. K mart was already offering its K-lectable kitchen electrics featuring a small herbs-and-vegetables motif on a white background, similar to Corning Ware's Spice of Life pattern.

Consumer research showed a market existed for a second coordinated line. La Collection Fleurs, with a totally different look and higher price points than K-lectables, was unveiled. The merchandise featured a bold stylized floral pattern on a gray background.

In 1980 K mart became the only discounter to offer not only one but two color-coordinated lines of private label kitchen electrics.

The original La Collection Fleurs consisted of four items: a can opener/sharpener; a 5-qt., deep-fat fryer; a 4-qt. slow cooker and a 10-cup drip coffeemaker. The coffeemaker was the most unusual of the group since it used a floral decorated metal carafe, instead of the glass carafe found in the K-lectable and branded lines. A hand mixer, a two-slice and a four-slice toaster were added to the collection last year.

The seven-item La Collection Fleurs group was, for the most part, priced 10%-30% higher than the comparable items in the K-lectable line at everyday prices. Both collections were carried in all stores.

For instance, the La Collection Fleurs drip coffeemaker's everyday retail price was $29.97 vs. $26.97 for the K-lectable item; the two-slice toaster: $16.97 vs. $13.97; the 5-qt. fryer: $21.87 vs. $15.97, and the 4-qt. slow cooker: $22.87 vs. $15.97.

Over the past two years, K mart's efforts to promote La Collection Fleurs included: signing the department with a list of items in the line; featuring the merchandise in full-color, four-page bag stuffers, and using the items frequently in price promotions, including the chain's rebate offers.

Despite K mart's efforts, sales and bottom-line results were evidently less than expected. This particular private label collection probably ran into a variety of problems.

First, the line was so highly styled and distinctive in color, it was bound to be less appropriate for the majority of customers' kitchen color schemes than K-lectables, which was essentially white. Second, despite frequent promotions, the items were priced as high, or higher, than K-lectables and many name brand items.

Increased Competition

Finally, a recessionary economy dramatically increased the toe-to-toe price competition in traffic electrics, forcing K mart into lowering promotional price points of both private label lines. (K mart's spokesman said, however, the K-lectable line will be continued with no deletions currently being considered.)

For instance, a chainwide, eight-page pre-Christmas ad took some deep cuts across-the-board on La Collection Fleurs. The price of the four-slice toaster was slashed from $27.67 to $19.77; the drip coffeemaker from $29.97 to $23. The slow cooker and deep fryer, priced at $22.87 and $21.87, respectively, were each being promoted at $13.87.

On the brighter side, a K mart elimination of La Collection Fleurs would free some shelf space for name brand merchandise. Since one of the chain's stated goals is an expansion of name brands, this strategy could have played a part in its decision to drop La Collection Fleurs.

K mart's La Collection Fleurs slow cooker and deep fryer, shown in the Troy, Mich., store, are part of a seven-item private label group the chain may be eliminating. *(DSN photo)*

Iron/Steel Top Gainer in Cookware Imports

WASHINGTON—Iron, steel and copper cookware were the big gainers in 1981 among imported metal cookware, according to just released year-end figures from the Department of Commerce.

Downward Spiral

Total imports of metal cookware, however, dipped some 8.8% in both dollar and unit volumes last year compared to prior-year figures, with major drops being registered in porcelain-on-steel cookware, off 28.9% in dollar sales; cast iron, off 33.3%, and stamped aluminum, off 17.5%.

Total import volume for imported metal cookware was $142.9 million in 1981 compared to $156.7 million in 1980, adding up to the 8.8% drop.

Total unit figures showed a similar decrease with 1981 units at 81.2 million units shipped while in 1980 some 89.1 million units of cookware were imported into the United States.

The import stars during the year were iron, steel and copper cookware.

Iron/steel cookware tallied gains of over 57% with volume hitting $2.5 million during the year compared to $1.6 million in the prior year, Commerce Department figures showed. Unit sales for the products were 2.07 million in 1981 compared to 2.02 million in '80.

Copper cookware was the No. 2 gainer with volume reaching $19.7 million last year, compared to 1980's dollar volume of $16.4 million, a gain of close to 20%.

Similarly, unit sales jumped close to 44% to 5.9 million units shipped to United States shores compared to 4.1 million in 1980.

The biggest loser was cast, uncoated aluminum cookware.

Imports of Metal Cookware
1981 vs. 1980

Type	Dollars (millions) 1981	1980	% Change	Units (millions) 1981	1980	% Change
Porcelain-on-steel	$ 27.1	$ 38.1	−29.0	10.3	11.3	− 9.2
Cast Iron	4.9	7.4	−33.3	4.0	9.6	−57.6
Iron/Steel	2.5	1.6	57.0	2.1	2.0	2.4
Stainless steel	58.4	55.4	5.3	39.3	39.5	− 0.5
Copper	19.7	16.4	19.8	5.9	4.1	43.9
Cast aluminum (uncoated)	2.1	3.9	−46.3	1.2	1.9	−36.5
Stamped aluminum (uncoated)	13.8	16.7	−17.5	13.4	15.6	−13.8
Cast aluminum (coated)	5.6	5.8	− 2.9	1.5	1.2	27.0
Stamped aluminum	8.5	10.9	−23.0	3.2	3.6	11.8
Total	**$142.9**	**$156.7**	**− 8.8**	**81.2**	**89.1**	**− 8.8**

Source: Dept. of Commerce

WINDOW SHOPPING

By MARILYN NEERMAN

Discounters' fears that a hot category, air cleaners, would go the way of hot-dog makers come 1982 were evidently unfounded.

Better yet, although the price competition is still intense, price points haven't hit the rock-bottom levels many buyers anticipated.

Judging by first-quarter activity among discounters and catalog showrooms, the air cleaner business is alive and very well. The majority of recent discount store promotional ads and showroom flyers featured an air cleaner.

K mart chose to maintain its low price image by featuring the Robeson air cleaner made by Van Wyck International, the same company that makes the chain's private label kitchen electrics. K mart featured the air cleaner at $14.87, $11.87 after the mail-in rebate.

The Pollenex Pure Air 99 was promoted by catalogers Service Merchandise and Best Products. Discounters offering the same model were Bradlees, Gold Circle and Caldor.

Best and Service led the pack in offering the lowest prices—$19.84 and $19.86, respectively.

Gold Circle came in with the lowest price among the discounters: $19.99, $14.99 with the rebate. Bradlees' sale price was $20.99; $15.99 with rebate. Caldor was at $21.77, $16.77 after the rebate.

Bradlees also promoted the newer Rush-Hampton two-speed unit at $19.99.

Gold Circle also came out with the most competitive price on the Norelco Clean Air Machine, tagged at $15.99. Ann & Hope priced the item at $16.88; Venture at $18.88.

Cataloger O. G. Wilson opted for a price promotion on Norelco's Deluxe Clean Air Machine with a two-speed fan at $29.83.

HEALTH & BEAUTY AIDS

Ethnic Items Second in Profitability

Ethnic-product sales continued to climb among discounters.

According to Boston Distributors, the firm supplying the Product Movement Audit, same-store sales among its customers increased by close to 40% last year.

Milton Rosenberg, vice president of sales, said the ethnic-product category is, or should be, the second most profitable in the health and beauty aid department, with gross margins of 35%-40%. (Hair accessories is usually the top profit producer.)

For the period covered by the audit, Jan. 30, 1981, through Feb. 1, 1982, the Dark N Luvly Relaxer Kit was the top-selling ethnic item, just as it has been for the past three years.

But, the fastest growth in the category came from Soft Sheen's Carefree Curl products with three items on the list of best sellers. The Carefree Curl Moisturizer ranked No. 8; the Activator, No. 10, and the Keratin Conditioner, No. 38.

Rosenberg said this past year's change in black hair styling has produced a number of shifts in the top-selling ethnic items. Black women have been moving steadily away from the previously popular straight look to softer, wavy hair styles.

As a result, sales of items like relaxer kits and heavy, petroleum based conditioners have declined, although they remain staple products in the ethnic category.

For instance, the PMA for 1980 listed Revlon's Relaxer Kit Regular in the No. 5 position; for 1981 it dropped to No. 13.

Petroleum-based Ultra Sheen Conditioner, 8 oz., ranked No. 8 in 1980; in 1981 the item fell to the No. 16 spot.

Products used to achieve the curly look, such as the wave activators—Pro Line Curly Kit, Carefree Curl Activator, Sta-Sof-Fro Curl Activator and TCB Easy Curl Kit—are now among the fastest-moving.

Improvement Reported

Increasing customer use of the curl activators, which can have a tendency to dry the hair, has also stimulated sales of hair moisturizers, hair and scalp conditioners, and oil sheens.

In the last-named group Sta-Sof-Fro Spray Extra Dry ranked No. 2 in the 16-oz. size and No. 7 in the 8-oz. size.

While the majority of the top-sellers in the ethnic category are hair-care-related, staple products in a complete assortment also include skin conditioners and shaving powders for men.

In skin conditioners, Ambi Skin Cream formulated for oily skin ranked No. 41; its normal skin formula ranked No. 49.

Magic Shave Powders ranked No. 59 and 60.

Although it did not make the PMA, Dark N Luvly's hair coloring is also a basic in the ethnic assortment, Rosenberg said. The top-selling hues in this coloring formulated for black hair are: auburn, dark auburn, brown, black and jet black.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	ETHNIC PRODUCTS			
1	Dark N Luvly relaxer kit	35,624	4.88	173,845
2	Sta-Sof-Fro spray extra dry 16 oz	28,473	3.62	103,072
3	Pro Line curly kit	13,044	6.32	82,438
4	Sta-Sof-Fro curl activator 8 oz	26,563	2.72	72,251
5	Sta-Sof-Fro curl activator 16 oz	18,143	3.60	65,315
6	TCB hair & scalp conditioner 8 oz	21,791	2.89	62,976
7	Sta-Sof-Fro spray extra dry 8 oz	27,468	2.27	62,352
8	Carefree curl moisturizer 8 oz	20,525	2.91	59,728
9	TCB easy curl kit reg	5,169	9.53	49,231
10	Carefree curl activator 8 oz	14,329	3.14	44,993
11	TCB hair food 8 oz	12,285	3.43	42,138
12	Sta-Sof-Fro spray reg 8 oz	16,606	2.27	37,696
13	Revlon relaxer kit reg	6,273	5.75	36,070
14	Classy curl kit	4,355	8.19	35,667
15	Revlon relaxer kit mild	6,072	5.75	34,914
16	Ultra Sheen conditioner 8 oz	9,901	3.36	33,267
17	Sta-Sof-Fro style kit	6,621	4.84	32,046
18	Revlon relaxer kit super	5,417	5.75	31,148
19	TCB easy curl activator 6 oz	10,202	2.98	30,402
20	TCB oil sheen 13 oz	10,591	2.62	27,748
21	TCB hair & scalp cond 14 oz	5,570	4.53	25,232
22	Pro Line curl activator	8,923	2.77	24,717
23	White Rose petroleum jelly 15 oz	14,561	1.49	21,696
24	Sta-Sof-Fro curl kit	2,234	9.06	20,240
25	Ultra Sheen permanent reg	3,431	5.70	19,557
26	Ultra Sheen condition, extra dry 8 oz	5,862	3.30	19,345
27	Pro Line perm repair 2 oz	8,726	2.14	18,671
28	Classy Curl curl activator 12 oz	5,145	3.60	18,522
29	Hair Repair 14 oz	8,037	2.18	17,521
30	Ultra Sheen permanent super	3,057	5.70	17,425
31	Kurle Keeper spray 8 oz	5,742	2.94	16,881
32	Calif Natural cmb out oil sh	9,303	1.76	16,373
33	Ultra Sheen natural body relaxer, reg	2,892	5.61	16,224
34	TCB detangling shampoo 16 oz	3,340	4.64	15,498
35	Blue Magic conditioner 12 oz	9,637	1.56	15,034
36	Blue Magic bergamot 12 oz	9,289	1.61	14,955
37	Ultra Sheen permanent mild	2,583	5.70	14,723
38	Carefree Curl keratin cond 8 oz	4,335	3.07	13,308
	ETHNIC PRODUCTS			
39	Posner bergamot 7 oz	5,695	2.33	13,269
40	Dark N Luvly hair dressing 4.5 oz	6,321	2.09	13,193
41	Ambi skin cream oily 2 oz	4,460	2.95	13,157
42	Ultra Sheen conditioner 2 oz	9,627	1.35	12,996
43	DAX Super-Lanolin 3.5 oz	7,712	1.65	12,725
44	Sulfur 8 H&S condition 4 oz	5,113	2.48	12,680
45	Ultra Sheen natural body relaxer mild	2,161	5.61	12,123
46	Pro Line hair food 4.5 oz	6,303	1.90	11,976
47	Cornell's curl kit	2,439	4.86	11,854
48	Kiddie Kit hair relaxer	2,286	5.00	11,430
49	Ambi skin cream normal 2 oz	3,808	2.95	11,234
50	Pro Line hair food 7.5 oz	3,726	2.97	11,606
51	DAX pomade 7.5 oz	6,182	1.69	10,448
52	Afro Sheen Afro Soft 8 oz	4,382	2.36	10,342
53	Sta-Sof-Fro curl moisturizer 12 oz	2,803	3.65	10,231
54	Queen bergamot 8 oz	7,277	1.40	10,188
55	Glovers Mange med liquid 2.5 oz	3,628	2.79	10,122
56	Cream of Nature relaxer kit	1,572	6.25	9,825
57	French perm kit reg	1,804	5.37	9,687
58	Posner bergamot 3.5 oz	6,689	1.44	9,632
59	Magic Shave powder gold 4.5 oz	8,391	1.14	9,566
60	Magic Shave powder blue 5 oz	10,236	0.93	9,519
61	TCB hot oil treatment 1 pk	8,852	1.04	9,206
62	French perm kit super	1,713	5.37	9,199
63	Ultra Sheen cond extra dry 2 oz	6,731	1.35	9,087
64	Murrays hair pomade 3 oz	5,805	1.47	8,533
65	Royal Crown hair dressing 8 oz	6,423	1.32	8,478
66	Afro Sheen hair cond 8 oz	2,404	3.36	8,077
67	Nadinola deluxe 2.25 oz	3,463	2.33	8,069
68	Ambi skin cream dry 2 oz	2,734	2.95	8,065
69	Pro Line oil sheen 11 oz	3,650	2.18	7,957
70	Sulfur 8 hair & scalp cond 2 oz	4,951	1.59	7,872
71	Dark N Luvly conditioner 2 oz	4,237	1.83	7,754
72	Carefree curl cond shampoo 8 oz	3,607	2.14	7,719
73	Artra cream 2 oz	2,816	2.74	7,716
74	Le Kair hormone conditioner 2 oz	4,333	1.74	7,539
75	Kurl Keeper no rod kit	1,082	6.93	7,408

Source: Boston Distributors, Maple Heights, Ohio. Jan. 30, 1981, thru Feb. 1, 1982.

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DORCY

18 Murphy's Marts Will Get New Look

(Continued from page 3)

small, in an old format) and 13 in the Greater Pittsburgh market. Although no long-range chainwide conversion schedule has been developed, officials say they will most likely convert all metropolitan units of adequate size (at least 42,000 sq. ft.), and use the format for all future stores.

Pinpointed for probable conversion next year are units in Charleston and Fairmont, W. Va., and Harrisburg, Pa.

Blair McRae, vp of planning for the McKeesport, Pa.-based chain, is credited with development of the new store concept. He joined Murphy last year after having served in store planning at several large department store chains, including Ohio-based Federated Department Stores.

Both McRae and other Murphy execs are reluctant to call the Glen Burnie and Towson units "prototypes," because they say certain refinements will continue to be made in the concept, as it is spread throughout the chain. But most of their aversion to the term seems to stem from Murphy's past performance. Said one official, "Out of 108 units, we've got 106 prototypes."

The bulk of evidence, however, points to a Murphy's Mart that is seeking to move in one direction within its stores. McRae emphasized the chain's commitment to building a store concept that would provide greater shopping ease for customers through greater department identification, such as the large suspended graphic signs and fingerwall backdrops used here to shopify departments, especially in apparel.

Layout Changed

The new store format jets an aisleway from the main raceway angularly between women's and girls' apparel, in an effort to draw more traffic through higher-margin soft lines. Easily accessible are children's, lingerie, domestics and shoes.

Major emphasis other than positioning has also been shifted to ready-to-wear. "We're hoping to shift our mix more and more to soft lines," McRae said. "And when I say soft lines, I mean ready-to-wear."

RTW currently makes up only 22% to 30% of the mix in traditional Murphy's Marts, but the chain is looking to increase its percentage by 4 to 5 percentage points during the next few years, the planner said.

On new face-out fixturing—double-hang bars, T-stands, circular racks—it is evident a push has come to gain more brand names. The Glen Burnie and Towson units boast full selections of jeans by Calvin Klein, Jordache, Gloria Vanderbilt, Sasson, Levi's, Lee and Wrangler, priced from $24.99 (reg. $33.96) on designer jeans to $19.95 on other brands. In the junior's department, Sasson sweatshirts, T-shirts and waffle-weave sport shirts and Levi plaid cotton shirts, as well as numerous California-labeled goods, speak to the branded movement.

McRae and other officials, however, are quick to point out that Murphy's Mart isn't trying to "trade away" from its core customers. They say a Murphy's Mart customer profile is identical to a K mart customer's. And like K mart, Murphy's Mart is trying to add younger customers through building junior boys' and girls' apparel. Cosmetics and jewelry fixturing have also been upscaled, and the selections somewhat expanded to cater to those customers.

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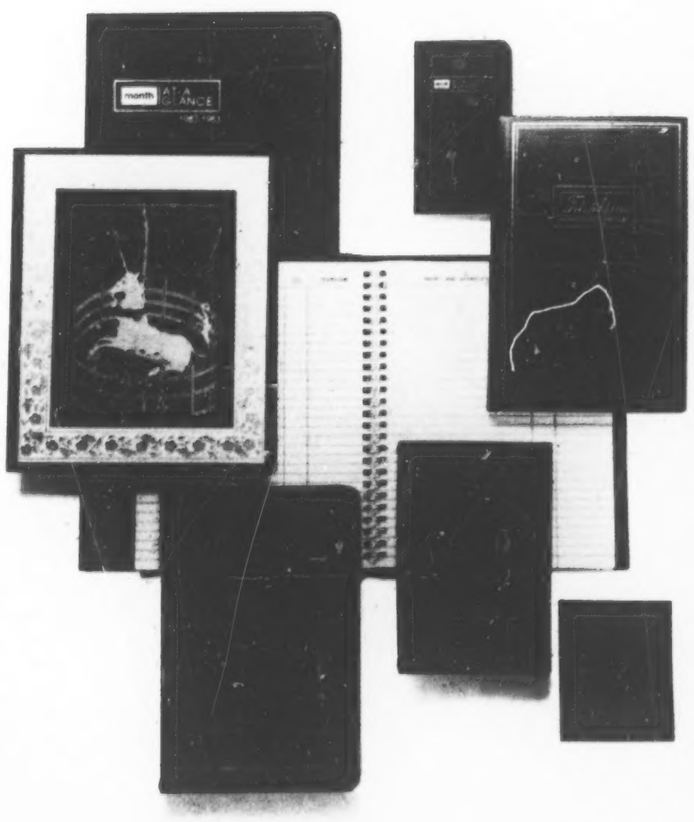

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Traffic Builders

(Continued from page 3)

down to store managers."

Gold Circle is also looking to produce a profit and loss statement for each circular this year, in an effort to gauge the total effect of the program, Snell said.

New Moves

Discounters say that more than ever they are stricter in product selection in traffic-building.

"We still have to promote consumables to a great extent," said Magic Mart's vp and hard goods merchandise manager Alan Long. "But we've gone to a better mix, because margins are so tough in consumables."

While continuing to play up paper products, household chemicals, health and beauty aids and food—which Long and most other chains still rate as top-drawing items—more emphasis is going to higher-margin categories like home decor.

Sales, Net

(Continued from page 1)

lower income customers. Loeb sees higher profits for the third quarter and a "dramatic upturn" in the fourth quarter.

Zayre Corp. announced its performance for the year ended Jan. 30, 1982, represented its sixth consecutive year of record sales and earnings. Total company sales, excluding leased departments, hit $1.8 billion, a 12.7% rise over the previous year. Net income was $22.1 million, a gain of 26%.

However, the Zayre stores turned in lower operating earnings. Segall said Zayre "chose to become even more aggressive pricewise" during the fourth quarter which meant accepting lower gross margins to achieve sales results.

At Target, sales of $2.1 billion meant a 34% rise over the previous year; and the chain increased its operating profit by 19%.

Venture's sales for fiscal 1981 were $612 million, a 9% gain. The chain's operating income was $17 million for a 40.3% increase. Comparable-store sales for the year went ahead by 9%.

Eighth Annual PMA: Pp. 19-77
Catalog Showroom News: P. 83

C5150-3 4/15/82

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Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

VOL. 21, NO. 8 | Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman Inc. | $2 a copy | APRIL 19, 1982

Record buyers say the two top-selling albums by the Go-Go's and J. Geils Band are "must-have" albums. Dealers are waiting for other blockbusters to spark category sales.

Record Buyers' Chorus: 'All We Need Is a Hit'

By FRANK CAVALIERE

Will Bruce come to the rescue?

Can Joan Jett take off? Where are the Go-Go's going? Are the Stones rolling?

In the wake of a sales slump affecting record department volume over the last 18 months, discounters are scratching their heads trying to pick next month's hot seller and hoping it will start a fire.

One key reason behind the disc doldrums appears not to be the recession or increased competition from home video games, but the lack of sure-fire hit releases.

As a result, buyers around the country are bolstering profitability by cutting inventory, tightening distributor servicing and developing imaginative promotions.

In order to keep a tight rein on best-sellers in each of Woolco's markets, buyer C. R. Staley said the chain will eventually have its own computer system, replacing the present operation of 100% distributor servicing.

(Continued on page 4)

Allbright Starts Overhaul Of Woolworth/Woolco

By IRIS S. ROSENBERG

NEW YORK—Bruce Allbright is starting to make his mark on Woolworth/Woolco.

Three months after taking over the helm of the ailing 102-year-old retailer, the former president of Target Stores has started to make changes—beginning with a complete overhaul of the tradition-bound chain's headquarters and regional office staffs.

Allbright's plan is to carve out two independent divisions—one for Woolco and one for Woolworth—where there had been one. When the corporation first began opening Woolco stores in the early 60's, it operated them as a separate division from the larger variety store operation. It gave up that plan in the early 70's and merged both staffs into one. Last year, it began again to separate the two—but only at the top levels and in the field; one buying staff served both classes of stores.

Each division will be run by a chief operating officer; line staffs on b th the merchandising and operations side of the business will be created under each coo.

At *DSN*'s presstime, company sources said Allbright was actively looking outside the company for an experienced mass merchandising executive to run the Woolco division.

John Parker, 41, who was senior vp and general manager, Woolco—a newly created post he was named to last spring—will head up the Woolworth side of the company as coo. He replaces Charles Kline, senior vp, general manager, Woolworth, who has left the company. Kline had gotten that title when Parker, a 22-year company veteran, was called into headquarters to head up Woolco. Previously, Kline had been senior vp for both the Woolworth and Woolco stores.

Jack McNutt, corporate vice president, personnel, has been named senior vp, store operations, and acting coo on the Woolco side. McNutt, 56, has been with the company for 39 years.

While there had been no

(Continued on page 100)

Discounters, Retail Assns. See Baxter to No Avail

WASHINGTON—Representatives from K mart, Woolco, Target and Wal-Mart confronted Justice Department Antitrust Chief William Baxter earlier this month to voice growing industry concern over Government efforts to downgrade resale price maintenance enforcement.

A face-to-face showdown with Baxter confirmed the industry's worst suspicions that the Justice Department is determined to breakdown long-standing legal safeguards guaranteeing retailers control over their own pricing structures.

"We express strong opposition to any retreat on resale price maintenance, and drove home the serious harm such a step would cause the consuming public and the retail industry," AGMC president Ed Borda said.

"While we think we've succeeded in raising our concerns, the Justice Department seems committed to preceding on its course."

The AGMC official was in attendance as were officials from the NMRI and the National Association of Catalog Showroom Merchandisers.

Earlier this year Baxter and other Reagan Administration antitrust officials shocked the discount store industry by declaring that attempts by suppliers to coerce retailers into maintaining list prices were often pro-competitive.

Under current antitrust law such restrictions are an auto-

(Continued on page 100)

This Son Does It His Way

Alvin and Saul Glosser
Dad didn't encourage son to follow in his footsteps.

By BETTY J. TAYLOR

JOHNSTOWN, Pa.—It wasn't long ago that Saul Glosser was just the boss's kid, hanging around corporate headquarters here in dungarees and doing odd jobs to earn extra spending money.

Eleven years after his first stock-boy stint, he's still the boss's son, a title he can't avoid. But these days, the 23-year-old is in a buying office placing orders for blue jeans and not wearing them. In February, he became boys' wear buyer for Glosser Bros.—both its western Pennsylvania department store and its 21-unit Gee Bee discount store division.

As sometimes is the case with boss's sons, he didn't come by the job easily. Although dad—Alvin Glosser, president and coo—is now proud to have his offspring on board, it wasn't at his insistence or encouragement.

In fact, if the adage "like father, like son" had applied, Saul would have gone for a different career, because his father

(Continued on page 100)

Digest

April 19, 1982

HARDWARE

- **Despite the high ticket price, new power tools hitting the** market may give some spark to the stabilized power tool category. (p. 11)
- **Unable to afford new, larger housing, consumers are expand-**ing closet and storage space with shelving products, giving a boost to the category, discounters find. (p. 11)

H&BA

- **A new philosophy and a new franchised cosmetics department** have hit Zodys. A 25% sales increase in the department is expected. (p. 14)
- **Assortment is the name of the game in selling cough and cold** remedies, discounters claim. Most are staying with the highly advertised products. (p. 14)

HOUSEWARES

- **Trying to scoop up more volume in the vacuum cleaner category,** dealers are either keeping sku's to a minimum or are stocking up on assortments. (p. 17)
- **The time is still ripe to capitalize on the clock category and** retailers like Wal-Mart are using new store signing to make the profitable category stand out. (p. 17)

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Editorial

Discounters Don't Tarnish Maker's Image

By ROBERT Z. CHEW

Is Sony's reputation diminished if its color TV sets are sold in a Lechmere?

Is Gloria Vanderbilt less if her derriere-hugging jeans are racked in K mart?

Is Royal Doulton or Lenox china second-rate if it's found in Caldor?

I think not, and I don't believe shoppers think so either.

What most Americans feel when they buy those goods at discount stores is glad. Glad they've been prudent enough to purchase the very best merchandise for the very lowest prices, the hallmark of the discount store operator.

Of course Sony, Gloria, Royal Doulton and Lenox would rather have the frills and full markups supporting their quality products. Who wouldn't?

But, business is not that simple. The shopper is who ultimately decides where and what will be sold.

But, as it seems to happen more and more, free enterprise and the so-called laissez-faire-minded Reagan Administration are bumping heads on those issues.

Bumping heads, indeed.

In a closed door powwow with William Baxter, the man spearheading the Justice Department's move toward encouraging resale price maintenance, discounters like K mart and Target recently tried to explain the negative effects of promoting such a policy (see p. 1).

What ultimately came of that meeting is difficult to say. What is clear is that Baxter and his antitrust people, as well as the entire Reagan Administration, look at retailing as a secondary market.

Reagan's proposals to help business don't really help the retail business at all; in fact, with the shift in resale price maintenance policies, retailers, particularly discount retailers, are finding doing business with Washington tougher than ever.

The housing industry isn't doing so well talking with the White House, either.

What is troublesome is that manufacturers are coming out of nowhere to advocate the Justice Department's new resale price maintenance policies that leave discounters high and dry in selling many name-brand products.

Lenox China is just one example of a supplier jumping into the fray.

Using the language of the Justice Department's antitrust division that calls discounters "free-riders," Lenox has turned paranoid and has charged Caldor, Best Products, Service Merchandise and other unauthorized dealers, including specialty shops, with sullying its name and image and injuring sales.

A buyer at department store Sage-Allen was cited in the Lenox charge to the Federal Trade Commission as saying that she's heard mothers tell bride-to-be daughters not to register for Lenox because it can be found at Caldor, a chain without image, they claim.

But wait a minute. In the same affidavits to the FTC Lenox says that Macy's, Gimbels, Gertz and others are discounting Lenox products by as much as 30%, possibly more than the catalog showrooms and discounters cited.

Image is the key battle here.

Is the problem really with the image of the stores Lenox china is sold in or is the gloss off Lenox china?

I don't think a truly high-quality product loses its appeal by where it's sold.

A Sony 19-in. color television is the same superb set in Caldor as it is at a specialized Sony dealer.

People who shop at the specialty dealer know they're paying extra for the service and that's why they buy there.

Shoppers who buy at discount stores don't get the same service or selection, but they get price.

It's not up to the retailer to build the foundation for a product's image.

If a manufacturer is banking on that he's got a lot more problems to worry about than discount stores.

Washington Beat

Enterprise-Zone Creation Is By No Means Definite

By JOHN S. FRIEDMAN

WASHINGTON—Before discounters and other retailers plan to take advantage of President Reagan's new "enterprise zones," they should wait until Congressional smoke has cleared.

Despite the hoopla of Reagan signing the proposal before assorted VIP's in the Rose Garden, Washington lobbyists seriously doubt the measure in its present form will pass Congress this election year.

In his message to Congress, Reagan said the purpose of the plan "is to create a productive, free-market environment in economically depressed areas by reducing taxes, regulations and other Government burdens on economic activity."

Similar to a proposal introduced in the House by Robert Garcia, Democrat of New York City, and Jack Kemp, Republican of upstate New York, it calls for a series of tax rollbacks, which would remove 75% or more of corporate income taxes for businesses that qualify, and eliminate all capital gains taxes.

In addition, the plan calls for "free trade zones" that would give tariff and import duty relief to business.

To encourage hiring of the poor, Reagan's proposal calls for a 50% tax credit on wages paid to disadvantaged employees for a three-year period, and tax credits of 40%, 30%, 20% and 10% over the next four years.

Up to 25 zones a year would be selected, costing the Federal Government an average of $12.5 million each.

The key questions deciding the success of the plan—which most retailers support—is to what extent the White House will push it and to what extent it will be watered down by Congress.

Included in Reagan's proposals was the availability of Industrial Development Bonds (IDB's). Although the White House wants to restrict use of the bonds, retailers wanted them included as a way of helping to open new stores in economically depressed areas.

In his message, Reagan said that IDB's would be available, "even if the availability of such bonds is terminated elsewhere."

Before discounters start making plans to open new stores in economically depressed sections, it's advisable to wait and see what, if anything, is finally signed into law.

Already some unions have announced plans to oppose the bill. For example, Gerald McEntee, president of the American Federation of State, County, and Municipal Employees, called the plan "an excuse for the creation of company towns" and an assault on public services and public employees.

If labor lines up against the bill, its passage this year is highly unlikely.

NMRI President's Corner

Strongest Program Ever Promised For Convention

By RICHARD I. HERSH

It seems hard to believe, but in only a few weeks the National Mass Retailing Institute will be holding its 1982 convention.

This year the convention will be held in San Diego, and preliminary head counts indicate that this may be the largest convention ever held.

With 225 exhibit booths in our merchandising show, it certainly promises to be the most varied one at an NMRI convention.

With the assistance and guidance of our convention committee, headed by Arlie Lazarus of Jamesway, I honestly believe that this convention has the strongest program ever put together for NMRI attendees.

Our guest speakers alone are worth the price of admission, with ABC-TV commentator Ted Koppel opening up the proceedings on Saturday night and world-renowned economist Milton Friedman beginning our first general session on Sunday afternoon.

All the way through our program, up to and including Diahann Carroll as our featured entertainer at the Tuesday night banquet, the speakers' roster is equally impressive.

General sessions this year will include the "Role of Marketing in Discounting in the Future" with speakers from T.G. & Y., Procter & Gamble and Yankelovich, Skelly & White.

An "Update on Discount Store Advertising" handled by Stu Horton and Bob Chew of *Discount Store News* will highlight our second general session. Our third general session on Tuesday morning will feature Louis Tice of the Pacific Institute on "Customer Perception."

Our concurrent sessions this year will include "Merchandise Replenishment," "Vendor/Retailer Marketing Opportunities," highlighting couponing and rebates, "Increasing Sales Per Square Foot," "Payroll Productivity," "Review & Expansion of GMROI," "Management Travel & Entertaining Costs" and "Off-Price Branded Apparel."

Naturally, the convention is not only business. Our sports program and other functions promise to offer just the right mix of business and social activities.

Our Monday night party, co-hosted by the Newell Companies this year, will take the entire convention for a picnic at Sea World.

The spouses' program will include a trip to the world-famous San Diego Zoo and a program on "Stress Management."

Each year the convention has grown not only in size, but also in quality of programming. We offer all our attendees the promise of an informative yet pleasant business atmosphere where you can once again take away from NMRI that "One Good Idea."

Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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Discount Store News

8th Annual

Product Movement Audit

The eighth Annual Product Movement Audit is a comprehensive review of the best-selling products and merchandising trends of 1981.

The audit information was supplied by wholesalers around the country with a general enough distribution to make the data typical and with a broad enough geographical base to be meaningful.

For the first time, we have included a Product Movement Audit for the consumer electronics category. This listing reflects the growing consumer demand for video game cartridges and related equipment that has been taking discounters' departments by storm.

The CE audit, like those in housewares, hardware, sporting goods, automotive, health and beauty aids and electric housewares, which appear on the following pages, can be used as a guide for pinpointing and maintaining the fast-moving items that comprise the bulk of discounters' business.

With the cost of money still hovering near record-high levels, and store sizes continuing to shrink, the pressure is greater than ever for discounters to get inventories producing at optimum turn to maximize return on investment.

The Product Movement Audit is a detailed catalog of fast-turning merchandise against which any discount chain's assortment can be checked.

CE

Top Sellers
1. Atr CX2600 Vd Cpr Sys: 34,831 units/$4,748,510.20
2. Atr CX2649 Atds Ctrg: 32,717 units/$781,609.13
3. Shp 73/19F72 19-in. Cl TV: 1,935 units/$560,763.00

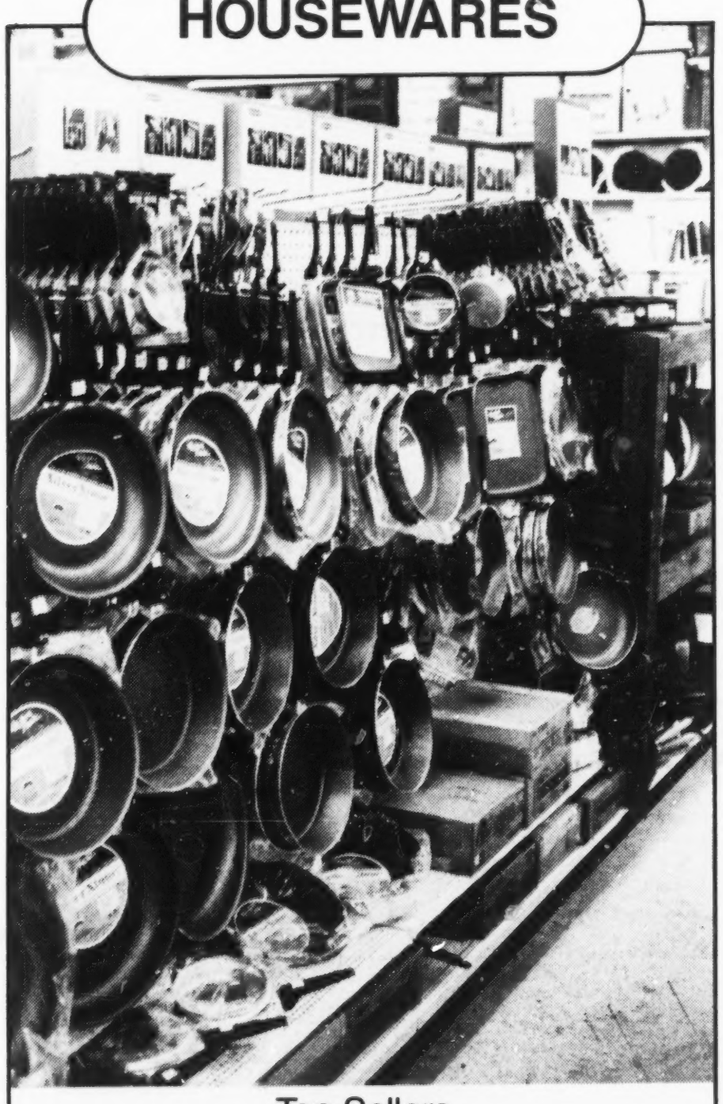
AUTOMOTIVE

Top Sellers
1. D&L Hnd clnr 14-oz.: 181,723 units/$207,164.22
2. Wst Spr. Bm F/21 Hdlmp: 53,985 units/$187,327.95
3. STP Oil Trt 1015 26/24: 69,935 units/$163,647.90

SPORTING GOODS

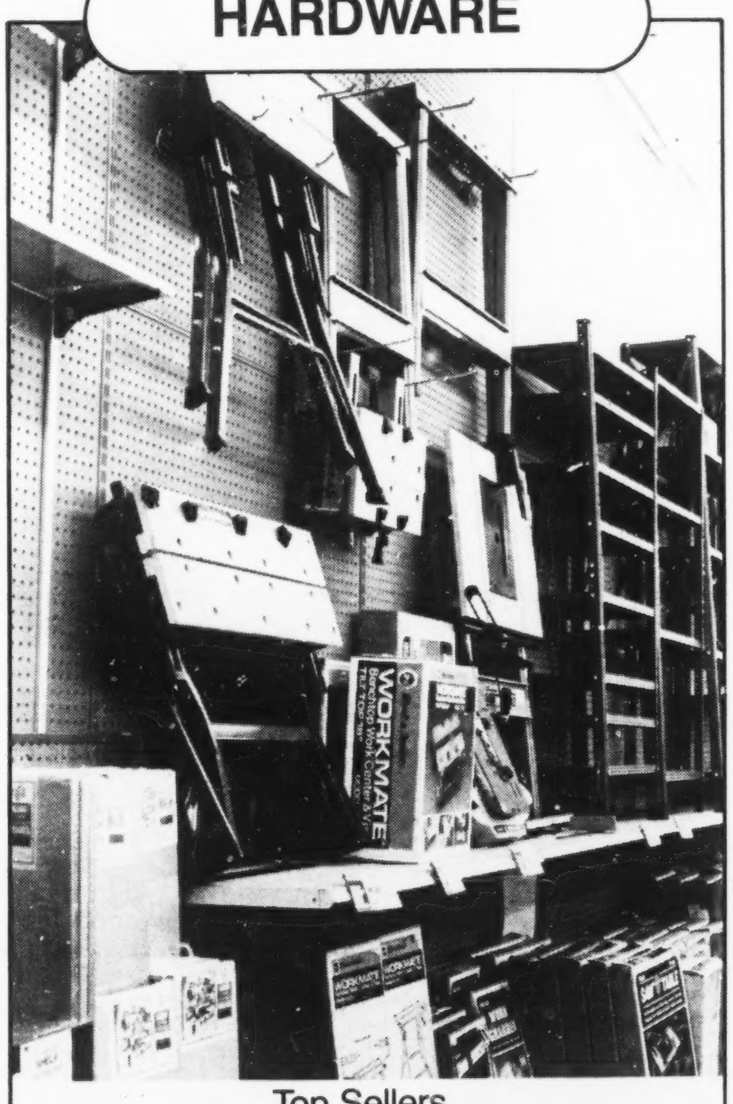
Top Sellers
1. Rmgtn 22LR Am Thdbt: 73,604 units/$161,192.76
2. Rgtn Dv-ld S/G Sl-8 Bx: 14,100 units/$112,377.00
3. Rmngtn 12-G. Rfl Slgs: 26,038 units/$98,944.40

HOUSEWARES



Top Sellers
1. Corelle 16-pc. set green: 19,115 units/$601,931.35
2. Nordic Micro-go-round: 6,945 units/$349,958.55
3. Anhr Hckng cndlstcks: 32,790 units/$333,146.40

HARDWARE



Top Sellers
1. B&D 7308 7¼-in. Cr. Sw: 12,264 units/$405,693.12
2. B&D 7127 ⅜-in. Drll VSR: 13,448 unt/$333,288.48
3. Yle LW5 Entrnc Lckst Bxd: 21,612 units/$248,321.88

H&BA

Top Sellers
1. Oil of Olay, 4 oz.: 150,966 units/$609,903.00
2. Atra Cartridge 10's: 90,240 units/$297,792.00
3. Oil of Olay, 6 oz.: 52,440 units/$308,347.00

ELECTRIC HOUSEWARES

8th Annual PMA

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
SLOW COOKERS					
1	2	3100 Rival Crocker Pot 3-qt, alm	10,091	13.98	141,072.18
2	1	3150 Rival Crocker Pot 3½ qt	5,170	23.04	119,116.80
3	3	3350H Rival Crocker Pot 5 qt	4,116	28.54	117,470.64
4	—	K7427WH Regal Hot Pot	6,750	9.76	65,880.00
5	—	3100 Rival Crocker Pot 3-qt flam/avcdo	2,225	12.48	27,768.00
6	4	3350 Rival Crocker Pt 5 qt, avocado	648	22.60	14,644.80
HAND MIXERS					
1	5	3076/3-71 Sunbeam al/wh	3,561	23.23	82,722.03
2	1	97-G Hamilton Beach 3 speed gold	5,067	12.55	63,590.85
3	9	HM12-8 Waring 12 speed almond	2,809	15.46	43,427.14
4	—	107AL Hamilton Beach	2,743	14.48	39,718.64
5	—	3-11/3-16 Sunbeam	3,014	12.99	39,151.86
6	—	1076 Hamilton Beach	2,488	14.40	35,827.20
BLENDERS					
1	1	600 Hamilton Beach 7 speed, alm	5,756	20.38	117,307.28
2	—	651 Ham Beach Blndr/Pls 14 spd, alm	3,029	29.01	87,871.29
3	—	890-16/867-16 Oster 10 speed almond	2,756	27.11	74,715.16
4	—	B1328-8 Waring 2 speed	3,176	17.88	56,786.88
5	—	B12081 Waring blender	1,863	20.16	37,558.08
CAN OPENERS					
1	1	781 Rival almond	9,345	11.55	107,934.75
2	2	782 Rival can opener/sharpener, alm	5,667	13.20	74,804.40
3	—	740 Rival cn opnr/knf shrpnr slm, alm	3,869	15.21	58,847.49
4	7	782 Rival can opener/sharpener gld	2,665	12.96	34,538.40
5	8	781 Rival gold	2,938	11.50	33,787.00

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
DRIP COFFEEMAKERS					
1	3	A301N Proctor Silex 10 cup	25,987	20.05	521,039.35
2	2	5185/5140 Norelco 10 cup	9,686	24.94	241,568.84
3	1	MCS1212 North Amer Mr Coffee 12 cp	4,713	39.59	186,587.67
4	8	791 Hamilton Beach, 12 cup	4,318	21.44	92,577.92
5	4	MP-100 North Amer Mr Coffee 10 cp	3,503	25.84	90,517.52
6	6	CBS-900 North Amer Mr Coffee w/svr	1,832	39.15	71,722.80
7	—	CMX1000 North Amer 12 cup w/tmr	898	50.40	45,259.20
8	7	5190 Norelco 12 cup	719	35.38	25,438.22
SPECIALTY ELECTRICS					
1	1	Wear-Ever 7300 Popcorn Pumper	10,874	25.26	274,740
2	2	Presto PN-1 Popcorn Now Popper	7,739	24.07	186,292
3	—	Northern 8453-2 ice cream freezer	6,744	14.01	94,523
4	4	Ham Beach 511 Popcorn Pumper	2,346	26.31	61,728
5	—	Toastmaster W252 Waffle Baker	2,576	23.12	59,570
6	—	Rival 840 Ice Crusher	3,280	16.66	54,668
7	10	West Bend 25467 Buttermatic 4 qt	2,893	13.78	39,866
8	9	Sunbeam 18-26 Grt Amer Pop Mach	1,293	26.15	34,983
9	6	Ham Beach 507 Popcorn Popper	1,432	16.13	23,101
IRONS					
1	5	11-19 Sunbeam Steam & Dry Prom	7,664	15.44	118,332.16
2	—	11-386/11-171 Sunbeam Sht Of Stm	1,660	24.05	39,923.00
3	—	111-213 Sunbeam Shot Of Steam	909	31.48	28,615.32
4	—	749 Hamilton Beach lght iron spry/dry	1,607	17.16	27,576.12
5	—	I1300 Proctor light iron stm/dry	1,649	15.45	25,477.05
6	8	2319 Struhl Travel Iron	3,493	6.15	21,481.95
7	6	1430W Proctor Lady lght spry/stm dry	867	24.69	21,406.23
8	4	I906B Proctor steam/dry	1,242	15.98	19,847.16

(Continued on page 22)

PMA®

PRODUCT MOVEMENT AUDIT

Promo/Rebate Combo to Keep Electrics Stress

By HOWARD BOBROFF
President,
Myron Nickman Distributors

The sluggish economy and the lack of new items in traffic appliances are leaving discounters little room to maneuver in the electrics area. What they see ahead for the first half of 1982 is an instant replay of the strategy adopted during the fourth quarter of last year.

To ring up sales, discounters will, once again, be relying heavily on price promotions and manufacturers' rebate offers. Taken in tandem, this often knocks the customer's final price lower than the retailer's cost.

For the first half, as in the fourth quarter last year, buyers are concentrating price promotions in those basic categories with a strong replacement market. This means zeroing in on such categories as toasters, irons and drip coffeemakers instead of, for example, food processors.

The Heat's On

A corollary to this strategy of focusing on basics for promotions is the ongoing review of the entire electrics area to weed out the slow-turning items, particularly the high-ticket goods.

If there is a bright spot in traffic electrics, it is that some manufacturers, anticipating the ongoing sales and gross margin struggle at the retail level, strengthened their promotional programs with a combination of lower prices and higher rebate offers covering a longer period of time.

However, those manufacturers' promotional programs may be more of a boon to sales than relief at the bottom line.

With heavy promotional activity continuing into 1982, discounters are going to have to come up with highly competitive pricing. Thus, most of the price offers from manufacturers will be passed along to the customer. Retailers will gain little gross margin advantage.

The 1981 Product Movement Audit shows what it took to move personal care and kitchen electrics last year: In just about every category in electrics, the top performers were those items promoted at the opening price point or those items which combined a low price point with a strong rebate offer. Discounters are expecting more of the same in 1982.

Drip coffeemakers, the dominant kitchen appliance cate-

(Continued on page 22)

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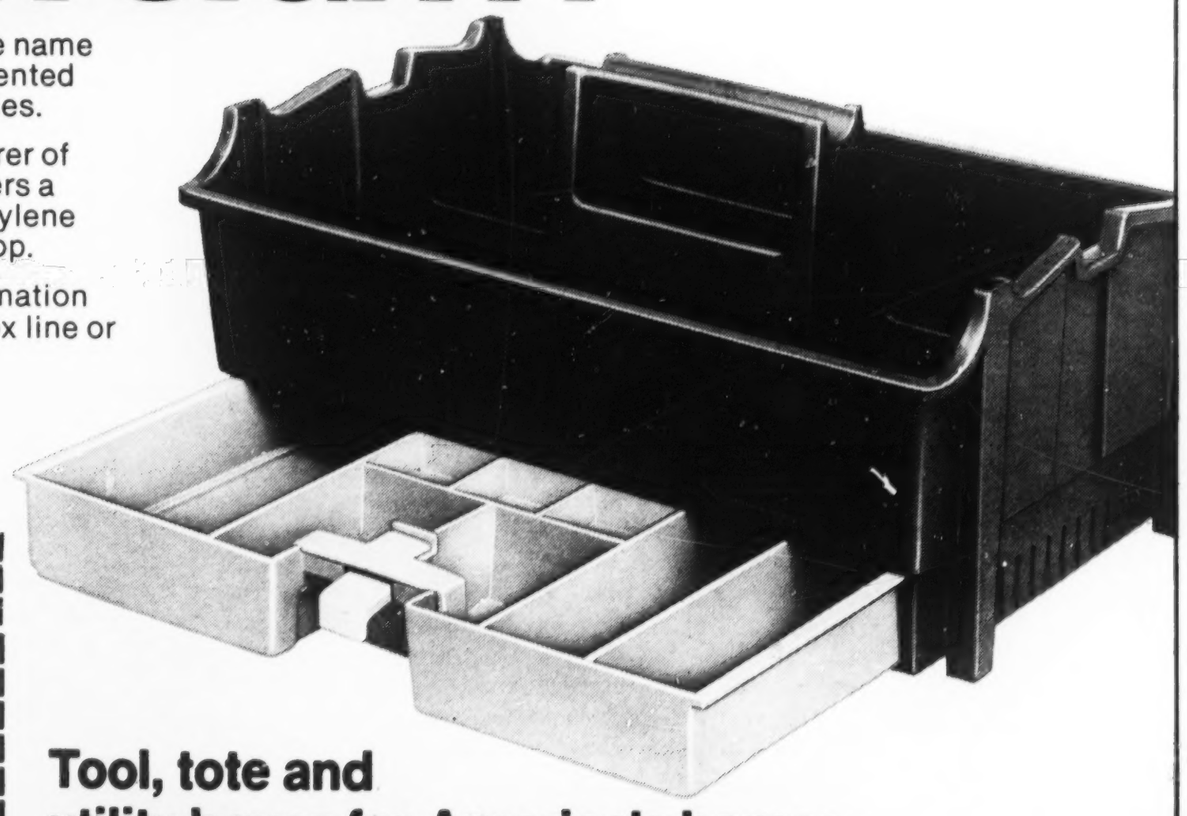


Tool, tote and utility boxes for America's homes

ELECTRIC HOUSEWARES

8th Annual PMA

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
		(Continued from page 20)			
		STYLER/DRYERS			
1	—	Shetland 3051 Visa 1200W	15,772	8.08	127,437
2	—	Conair 083 Pro Dryer 1200W	9,322	12.66	118,088
3	—	Gillette 0200 Supermax 1300W	7,291	15.20	110,856
4	1	Gillette 9230 Supermax 2, 100W	5,398	19.76	106,681
5	10	Conair 099 Pistol Power 1200W	7,781	11.27	87,727
6	19	Clairol TD-2 Son of a Gun, 1200W	1,717	20.98	36,030
7	—	Norelco 1718 Gotcha Gun 1200W	2,812	11.54	32,462
8	15	Norelco HB1787 Gtch Gn Coll 1200W	2,264	14.32	32,421
9	8	Northern 1881 Pro Blwr/Dryr 1200W	2,938	10.64	31,268
10	—	Georgie Turbo Dryer, 1400W	2,487	12.45	30,963
11	9	Northern 1892 1000W	1,994	13.55	27,021
12	—	Sunbeam 50-74 Bonnet Dryer	962	26.38	25,283
13	13	Northern 1871 Fold-mini 1200W	2,204	10.37	22,868
14	11	Windmere B12T Pro Dryr Bss 1250W	1,503	12.09	18,186
15	7	Conair 125F Vagabond dryer 1250W	1,199	14.24	17,082
		CURLING WANDS & BRUSHES			
1	4	Gillette 2970 Body & Curl	5,608	12.97	72,736
2	—	Shetland 6001 Curling Brush	12,632	5.73	72,480
3	6	Conair BC-10 Curling Brush	8,234	8.33	68,606
4	—	Gillette 2620 Clicker	3,514	18.33	64,442
5	11	Georgie CI750 adj Curling Brush	8,264	7.46	61,685
6	—	Conair CB200 New Twist Combo	4,120	12.20	50,296
7	2	Clairol CB200 Crazy Curl	3,767	12.16	45,813
8	—	Clairol CB3/CB4 Soft Curling Brush	2,477	14.93	37,000
9	7	Norelco HB1600 Curl Q Mist	3,455	10.47	36,201
10	15	Conair CD11 Curls 'N Curls	7,164	4.91	35,211
11	3	Northern 2337-2 Pro Styling Brush	4,985	6.65	33,150
12	9	Northern 2334-2 Pro-Chrome	5,920	5.05	29,903
13	5	Norelco HB1640 Wave Maker	2,046	11.75	24,056
14	—	Dazey Beauty Curl	7,599	2.80	21,305
15	—	Sassoon VS101 Prof Curling Iron	2,356	7.76	18,301

1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	FOOD PREPARATION*			
1	980-16 Oster Kitchen Ctr almnd	1,598	154.01	246,107.98
2	707 Hamilton Beach Cuisine Mchn	3,223	48.21	155,380.83
3	I-76 Sunbeam stnd mxr almond	952	83.93	79,901.36
4	702/707 Hamilton Bch fd prcssr almnd	1,635	48.45	79,215.75
5	HS15-8/3/9 Waring stnd mxr 12 spd	1,375	23.76	32,670.00
6	14-11 Sunbeam food processor	212	106.79	22,639.48
7	1-71 Sunbeam mixer/dough hk wht	250	83.18	20,795.00
8	44 Hamilton Bch stnd mxr/dgh hk 9 spd	397	51.40	20,405.80
9	HS9-8/HS9-1 Waring stand mixer	872	22.66	19,759.52
	TOASTERS AND OVENS*			
1	T620B Proctor tstr 2 slice	13,496	12.70	171,399.20
2	0126 Toastmaster toaster 4 slice	4,825	22.03	106,294.75
3	5244 Toastmaster Deluxe slf clnng ovn	1,796	52.06	93,499.76
4	T522B Proctor toaster 4 slice	4,299	20.05	86,194.95
5	T220AL Proctor toaster 2 slice	4,837	13.46	65,106.02
6	380 Toastmaster oven/tstr slf clnng	1,048	51.51	53,982.48
7	B703 Toastmaster 2 slc auto tstr	3,134	16.74	52,463.16
8	D137 Toastmaster toaster dual 4 slice	1,293	31.73	41,026.89
9	5230 Toastmaster broiler flp ovn	1,509	26.43	39,882.87
10	460 Farberware Turbo oven	163	16.59	27,041.70
11	0220AL Proctor toaster oven	553	45.39	25,100.67
12	TO-4400 Norelco Toast-R-Range	499	48.39	24,146.61
13	TO4500 Norelco Cont Cln tstr oven	337	55.34	18,649.58
14	370 Toastmaster oven toaster	345	48.85	16,853.25

**New category for the PMA.*

These electric housewares figures for calendar 1981, supplied by Myron Nickman Distributors, a division of Cook United, Maple Heights, Ohio, cover 900 stores, including 125 discount stores in the Midwest. Average retail prices reflect typical price points for discount chains.

PMA® PRODUCT MOVEMENT AUDIT

Promo/Rebate

(Continued from page 20)

gory, is a prime example. The top item last year was the Proctor Silex 10-cup model. Ranking No. 2 was Norelco's 10-cup model. Both of those drip coffeemakers hit low price points, were extensively promoted and offered customer rebates.

No other drip coffeemakers came even close to those two items in unit sales.

For 1982, corresponding basic items from Norelco and Proctor-Silex are expected to continue leading the way due to both manufacturers' strengthening of their promotional programs.

Despite a generally bearish outlook on kitchen electrics, toasters and toaster-ovens continue to sell well, presenting discounters with an opportunity for higher-ticket sales.

For instance, Toastmaster's self-cleaning oven moved well last year with the deluxe model placing No. 3 in the toaster/toaster-oven category. Four-slice toasters also had a strong year with three models among the top-sellers in the category.

Still, the No. 1 toaster was a price item from Proctor Silex with a promotion price typically below $12.

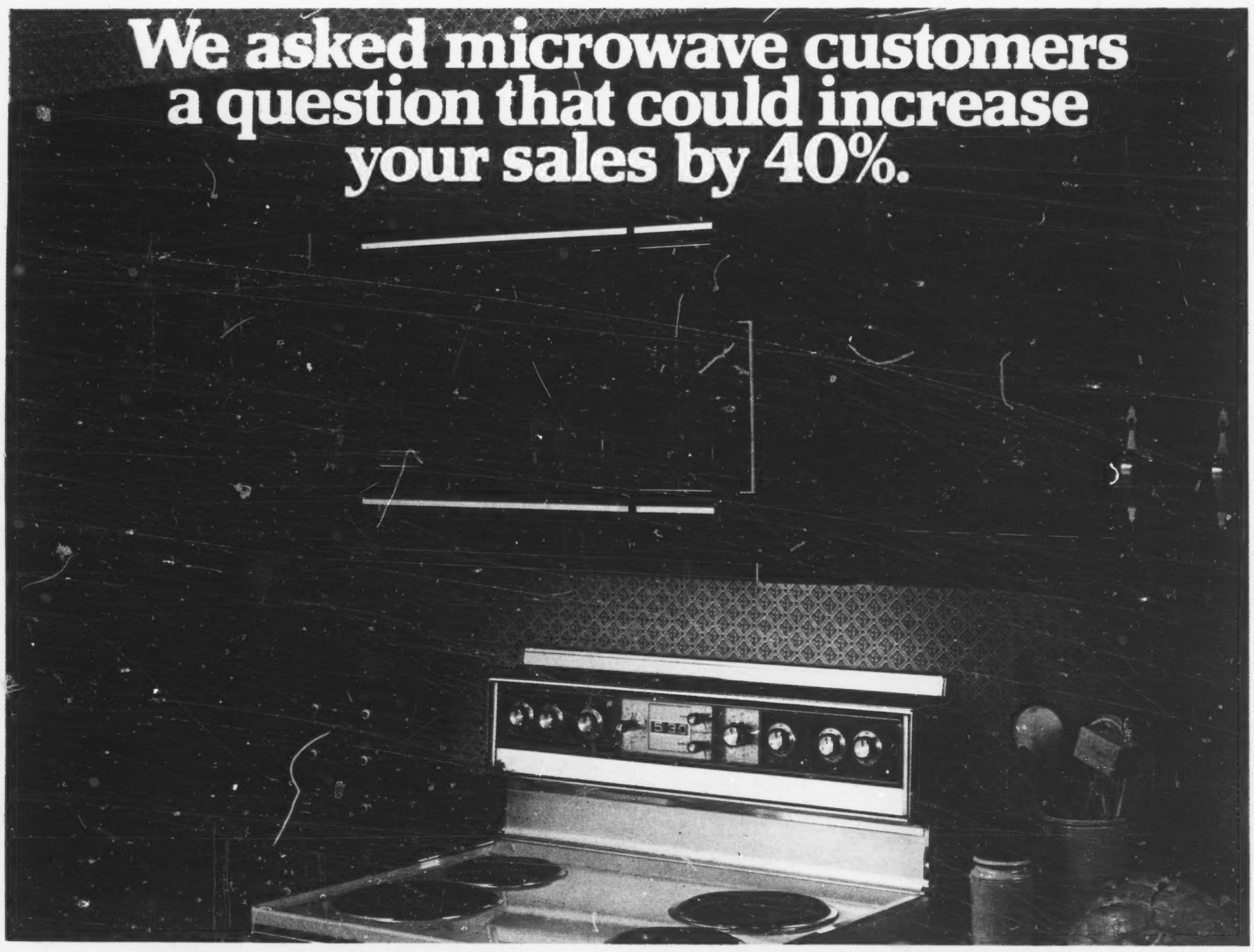
Important Role

Popcorn poppers were the mainstay of the specialty electrics category for 1981. And, their continuing sales movement indicates they will continue to be a very strong category in 1982. Wear-Ever's Popcorn Pumper took the No. 1 spot, foliowed by Presto's Popcorn Now in second place.

New to the market for 1982 are the popcorn poppers which caramel-coat the popcorn. Most discounters will be trying the new item, from one or two of the handful of manufacturers offering it. But, since the new item will carry a higher price tag of between $29 and $35, buyers will be closely monitoring its movement once it hits the shelves.

Steam irons remain a strong electrics area, one that brings excellent customer response to price promotions. The top item in the category is a promotional item from Sunbeam.

We asked microwave customers a question that could increase your sales by 40%.

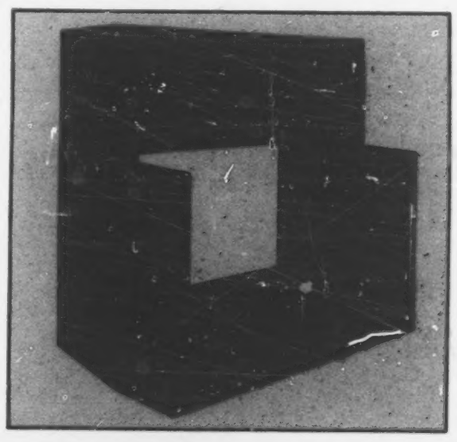


The new MicroMate™ combination range hood and microwave shelf is the 40% answer.

• Next year over four million microwave ovens will be sold in the U.S. And when two independent testing agencies asked potential customers about the new MicroMate combination range hood and microwave shelf, they got some amazing answers. In each study, over 40% of the consumers said they would buy MicroMate to put their microwave where it belongs . . . off the counter and over the range.

With a MicroMate Range Hood, there's no more lost counter space or crowded working areas. It's designed to fit virtually any brand of microwave oven and can be installed ducted or ductfree in any kitchen.

MicroMate features a quiet, yet powerful dual centrifugal blower to remove smoke and cooking grease from the air. There is a solid state, variable speed control. A 24" fluorescent tube lights up the cooking area. Only MicroMate brand offers your customers the exclusive "Heat Sentry™" to protect their microwave from excessive range heat. And it's built by Nautilus a leader in kitchen ventilation for 50 years.



Best of all, the MicroMate Range Hood is a high margin, high quality product. MicroMate will help you close microwave sales, and generate additional sales to current microwave owners. Either way, you'll add to your sales and make bigger profits.

Call for your Nautilus representative today: 800-558-1716. He'll give you complete details. Your customers will love what MicroMate does for their kitchens, and you'll love what it does for your sales.

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Housing/Decoration Ads Increase 15% In Papers For 1981

NEW YORK—Newspaper advertising expenditures for housing and decoration were up 15% in 1981 compared to 1980, for a total of $1.774 billion, according to the Newspaper Advertising Bureau.

Total 1981 retail newspaper advertising expenditures were $9.631 billion, a 12.4% increase over 1980.

Advertising for furniture, home furnishings and equipment, the largest housing and decoration category, increased to $923.3 million, a 12.8% gain.

HOUSEWARES

8th Annual PMA

PRODUCT MOVEMENT AUDIT

Discounters Build Stock Cautiously

By HOWARD BOBROFF
President,
Myron Nickman Distributors

Like chains throughout the country, Midwest discounters are playing it very close to the vest in ordering housewares inventory—basic stock as well as merchandise planned for promotions.

Maintaining a lean inventory position is planned as more than a way of keeping dollar investments down. Buyers are also using this strategy to keep open-to-buy dollars available.

In that way, buyers can react quickly to first-half promotions as they become available from manufacturers and distributors, as they too clean house to keep their own inventory moving.

Discounters are also taking their cues from customers who have been letting the chains know they aren't moved to buy by low prices alone. What customers are responding to, and what discounters will continue to concentrate on, are promotional items offering good price-value relationships.

One example of the type of promotion expected to bring in

(Continued on page 26)

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
TABLETOP					
1	—	992 Anchor Hocking candlesticks	32,790	10.16	333,146.40
2	—	115 Pyrex Hurricandle	10,026	6.29	63,063.54
3	—	3216-32 Corelle 16-pc set, cinnamon	1,701	30.97	52,679.97
4	6	2020-13 Expressions 20-pc set, Mdw	945	49.46	46,739.70
5	2	2020-12 Expressions set 20 pc, Ind Sm	920	49.55	45,586.00
6	8	20 Corelle 20-pc set, white	1,298	29.89	38,797.22
7	—	16-1-N Corelle 16-pc set, Spring	1,528	25.07	38,306.96
8	1	2020-7 Expression 20-pc set, Wildflwr	767	49.87	38,250.29
9	—	16-6-N Corelle 16-pc set, Woodland	1,470	25.34	37,249.80
10	—	3216-33 Corelle 16-pc set, almond	1,157	31.40	36,329.80
11	—	16-4-N Corelle 16-pc, Butterfly gold	1,411	25.14	35,472.54
12	—	16-5 Corelle 16-pc set, Old Town blue	912	25.14	22,927.68
13	—	174L Royal Sussex 20-pc	880	20.93	18,418.40
14	12	2020-16 Exprssns 20-pc st, Strwbrry	340	49.28	16,755.20
GLASSWARE					
1	—	8003048 Durand juice 5½-oz 4-pk	18,180	4.47	81,264.60
2	—	Libbey 24-pc Bolero set, Tawny	4,004	10.09	40,400.36
3	—	N3600/795 Anchr Hckng Wstwd st, gld	3,171	9.35	29,648.85
4	—	3600/794 Anchr Hckng Wstwd st cryst	3,153	9.24	29,133.72
5	—	Libbey 24-pc Bolero set, gold	2,244	10.08	22,619.52
6	—	Libbey 24-pc Bolero set, blue	2,139	10.16	21,732.24
7	—	3100/243 Anchor Hckng glss st 24 pc	2,736	7.69	21,039.84
8	—	97012 Libbey milk bottle	1,103	15.15	16,710.45
9	4	8466 Libbey 4-pk wine 6½ oz, Citation	3,222	4.41	14,209.02
10	—	1967CS Libbey Brwns NFL 11-oz rcks	14,688	0.92	13,512.96
11	—	8469 Libbey 4-pk wine, round, Citation	2,514	4.40	11,061.60
12	—	2100/53 Anchor Hckng 4-pk bev, Strw	3,204	3.30	10,573.20
13	5	8456 Libbey 4-pk Gblt 10 oz, Cit	2,322	4.45	10,332.90
14	—	8008278 Durand salad set 7 pc, Dmnt	1,068	8.88	9,483.84
15	—	3563 Libbey 8-pk Vin wine 8 oz	990	8.47	8,385.30

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
PLASTICS					
1	2	7200 Fesco trash can 20 gal, avoc	6,468	7.07	45,728.76
2	3	5207 Fesco trash can 32 gal, avoc	3,666	11.65	42,708.90
3	4	C124CD Lustro Dmd trsh cn 24 gal, gr	2,556	13.22	33,790.32
4	—	C-124C Lustro rfs contnr lck cvr, gr	3,654	7.85	28,683.90
5	—	C124C Lustro trash can, alum color	2,508	11.28	28,290.24
6	5	C-111C Lustro wste cntr 12 gl, sprgtp	3,288	7.04	23,147.52
7	6	P-80 Lustro heavy duty pail 11 qt	10,680	1.78	19,010.40
8	—	5861 Fesco No-Hands can, choc almd	2,436	6.44	15,687.84
9	12	BS-21 Lustro Bowl set cover 4 pc, yel	4,896	3.07	15,030.72
10	7	C-144C Lustro flip wst cntnr 44 qt	2,244	5.84	13,104.96
11	—	W5782 Fesco lift top bskt, 44 qt, choc	2,484	5.18	12,867.12
12	9	60028/70403 Alaba AM Pro dust pan	22,292	0.52	11,591.84
13	—	W5782 Fesco lift top bskt 44 qt, almd	2,202	5.19	11,428.38
14	13	1956 Fesco round basket 56 qt, gold	2,196	4.90	10,760.40
15	8	6251 Eagle food saver oblg 110 oz	5,184	2.06	10,679.04
COOKWARE					
1	2	297-79 Chilton 7-pc SilverStone, alm	5,828	27.44	159,920.32
2	1	36728 Wear-Ever Chf styl fry pn 8", alm	10,736	5.52	59,262.72
3	—	56027 Wear-Ever Preferred 7-pc set	1,639	33.49	54,890.11
4	8	0509 Gen Hse Clmb rstr, ovl, 18 lb	5,184	7.99	41,420.16
5	14	64900/M490 Ekco bakeware set, 9 pc	2,314	14.00	32,396.00
6	—	0707/B22 Gen Hse Clmb cnr 7 jr, 22 qt	2,664	10.40	27,705.60
7	—	64110/M411 Ekco ckr sht, Bkr's Scrt	9,132	3.00	27,396.00
8	—	1530/1422 Gn Hs Clm cvr S pt 11½ qt	2,664	8.69	23,150.16
9	11	64100/M410 Ekco ckr sht, Bkr's Scrt	8,580	2.62	22,479.60
10	—	46030 Wear-Ever 10" saute pan	2,348	9.45	22,188.60
11	—	950-20 Chilton S pt 12-qt 22G alm hnd	2,796	7.49	20,942.04
12	—	64330/M433 Ekco ck pn obl, Bkr's Scrt	7,524	2.73	20,540.52
13	12	285-79 Chilton griddle 11" polished	2,540	7.81	19,837.40
14	—	46032 Wear-Ever 12" saute pan	1,504	12.73	19,145.92
15	—	0508 Gen Hse Clmb rstr, ovl, 12 lb	2,766	6.75	18,670.05

(Continued on page 26)

Sears Renames Four Biz Groups

CHICAGO—Sears, Roebuck has adopted new names for its four business groups, announced Edward R. Telling, chairman and chief executive officer.

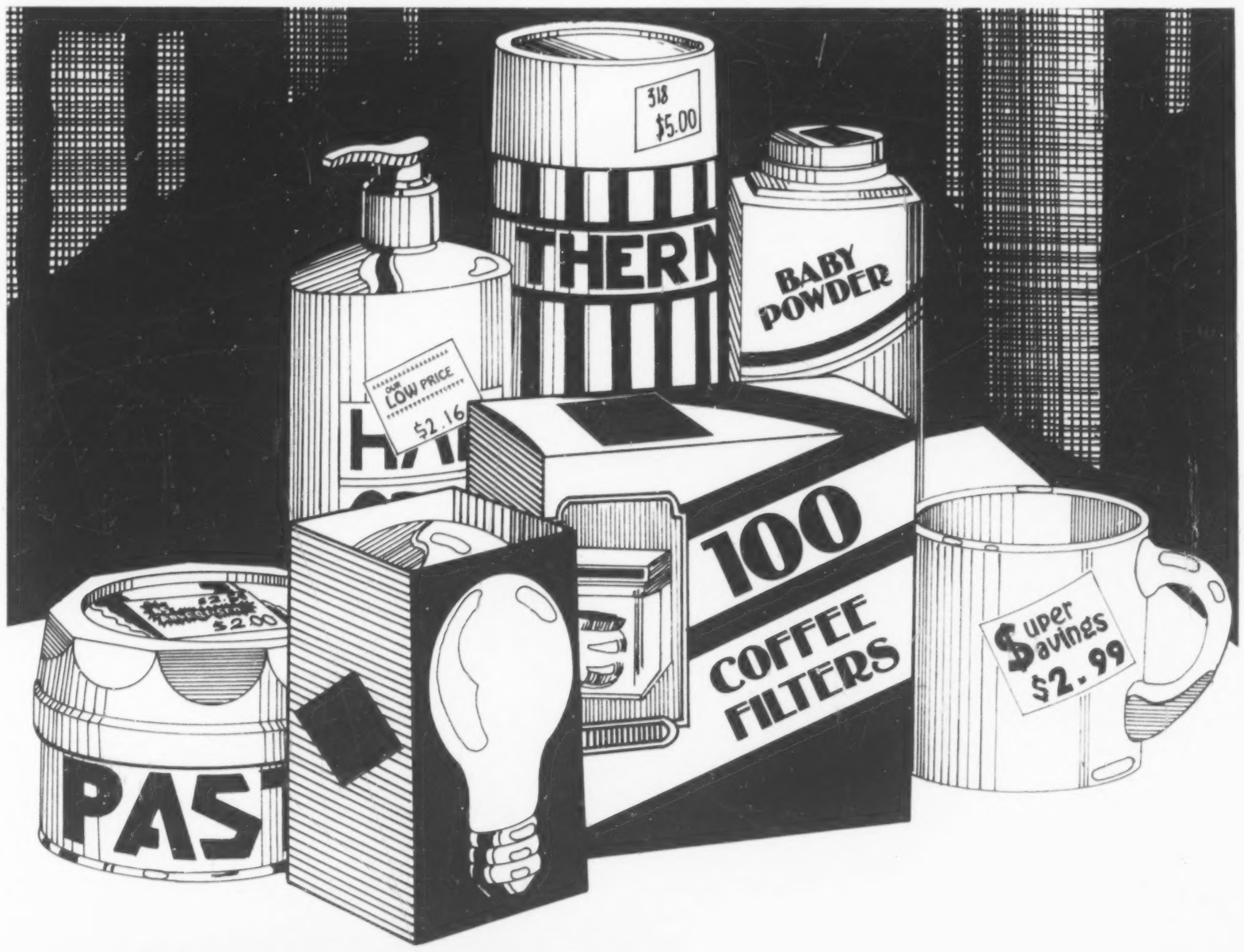
The new names were selected "to identify each group and its industry with names which are already among the best known in their field," he said. They are:

—Allstate Insurance Group, previously known as the Allstate Group.

—Coldwell Banker Real Estate Group, previously known as the Seraco Group. This group now includes Coldwell, Banker & Co., which Sears acquired in 1981; Homart Development; PMI Mortgage Corporation; PMI Mortgage Insurance, and Allstate Enterprises Mortgage.

—Dean Witter Financial Service Group, previously known as the Financial Services Group. This group includes Dean Witter Reynolds Organization, which Sears acquired late in 1981, and Allstate Savings and Loan Association. The Dean Witter units include Dean Witter Reynolds, Dean Witter Reynolds Capital Markets, Dean Witter Reynolds Inter-Capital, and Dean Witter Reynolds Overseas Ltd.

—Sears Merchandising Group, including domestic merchandising, credit and international operations.



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You know a good buy and so do your customers. Be sure to promote your value-plus merchandise with attention-getting Monarch promo labels. They'll direct your customers to the bargains. For more information, write Monarch Marking, Dept. #941, P.O. Box #608, Dayton, Ohio 45401.

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HOUSEWARES

8th Annual PMA

At Zodys, dinnerware samples are in custom-designed wood-look displays. Similar fixtures with the wood motif are used in other tabletop categories. This display is in a Las Vegas store. *(DSN photo)*

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
		(Continued from page 25)			
		CORNING			
1	4	F-330 Collection set 3 pc, Fr white	1,349	26.46	35,694.54
2	—	P-1420-8 Counter Saver, Spice	1,716	18.47	31,694.52
3	1	P-158 Grab-It set 4 pc, white	1,781	15.36	27,356.16
4	—	P-1420 Counter Saver, white	1,191	17.58	20,937.78
5	—	P-1420-7 Counter Saver, Wildflwr	1,047	18.75	19,631.25
6	—	A-390-7 Family set 9 pc, Wildflwr	578	33.80	19,536.40
7	—	A-390-8 Family set 9 pc, Spice	515	33.92	17,468.80
8	12	P-140 Sidekick set 2 pc	2,481	6.54	16,225.74
9	—	P-1014-8 Counter Saver, Spice	1,290	12.53	16,163.70
10	7	P-100 Menu-ette set, Cornflower	840	16.51	13,868.40
11	9	A-3-8 Saucepan 3 qt, Spice	862	15.96	13,757.52
12	—	M-68 Cook N Pour 1 qt, white	1,262	10.86	13,705.32
13	—	M10GR Covered cooker 10"	1,093	12.53	13,695.29
14	—	A-300-S Kitchen Startr set	465	29.16	13,559.40
15	—	P-1014 Counter Saver, white	1,212	11.02	13,356.24
		PYREX			
1	1	2330 Baking dish/basket 3 qt	2,295	11.03	25,313.85
2	—	233-S Utility dish 3 qt	5,160	4.42	22,807.20
3	14	440-49 Bowl set, Autumn Harv, 4 pc	1,610	11.44	18,418.40
4	9	440-6 Bowl set, Woodland, 4 pc	1,520	11.77	17,890.40
5	2	480-49 Casserole Autumn harv, 3 pc	1,206	12.50	15,075.00
6	—	532-S Measuring cup, 1 qt	4,614	2.83	13,057.62
7	2	470-49 Bke/Serve, Autumn Harv, 3 pc	1,236	10.56	13,052.16
8	—	508 Measuring cup, 1 cup	7,236	1.71	12,373.56
9	13	516 Measuring cup, 1 pt	5,886	2.09	12,301.74
10	—	2332 Utility dish, 2 qt	3,054	3.98	12,154.92
11	—	440-61 Mix bowl set, 4 pc, Forest	1,011	11.65	11,778.15
12	4	6840 Casserole/basket 2 qt	1,039	11.24	11,678.36
13	10	232F Oblong bakedish 2 qt	2,706	3.70	10,012.20
14	—	3520-S Juice jug 2 liter	3,180	2.97	9,444.60
15	—	233F Utility dish, 3 qt	1,980	4.52	8,949.60

(Continued on page 28)

PMA®

PRODUCT MOVEMENT AUDIT

Build Stock

(Continued from page 25)

heavy sales during the second quarter of 1982 is Corning's Corelle dinnerware being offered, for the first time, with the manufacturer's rebate. Discounter buy-ins for this promotion have been very heavy.

If there is a caveat to those Corelle promotions, it is that the entire dinnerware line is highly competitive and price-sensitive. Consequently, in order to bring in the sales anticipated by the rebate promotions, chains are going to have to promote the dinnerware at very sharp prices. The prices it may take to move the merchandise in quantity could leave stores with fairly slim gross margins.

As the Product Movement Audit for 1981 shows, the Corelle sets represent the major portion of the tabletop category. The rankings list the Corelle 16-pc. set in cinnamon in spot No. 3; the spring pattern No. 7, and Woodland, No. 9.

Those 16-pc. sets have replaced the 20-pc. sets which had been good during the year. But, with the 16-pc. sets hitting a lower price point, the basic Corelle sets are expected to sell in bigger quantities this year, particularly during the rebate promotion period.

Two items which didn't appear on the shelves until fall 1981 became the top sellers of the year in the tabletop category: Anchor Hocking candlesticks and the Pyrex Hurricandle.

Important Role

The Hurricandle, in the No. 2 spot last year, is expected to remain a strong seller, one which discounters can successfully promote year-round.

Last year, the glassware category was exceptionally strong, and that is expected to continue during 1982. It is often said glassware is a category historically given a boost during a recession since people stay at home more, and glassware is a relatively low-ticket item with a good price/value relationship.

The uncontested leader in the category was Libbey's Bolero 24-pc. sets. Taken individually, the set in Tawney ranked No. 2; gold No. 5, and blue No. 6.

But, if the three Bolero colors were added together, the set would obviously jump to the top spot on the PMA.

Taking first place in glassware unit movement was the 4-pc. in Durand's juice glass. Another big seller was Libbey's Cleveland Browns rocks glass; it placed No. 10 in the ranking.

Polished metal cookware with Silverstone interiors, in open stock and sets, represented the overwhelming market share in cookware last year. During 1982, no change is expected in the importance and the selling power of SilverStone.

Nevertheless, because it was promoted extensively by many

(Continued on page 28)

THE 76 LINE MOVES!

and we've doubled your co-op allowance, so now you get from $1.00 to $3.00 a case!

We've made it twice as smart to stock up on Union's fine line of motor oils...because now you get twice as much co-op allowance!

Union 76 motor oils have long been known as great little profit-makers. And right now they're even better! So be sure to stock up on the entire line before this offer ends, June 30, 1982.

And you'll ring up even more profits!

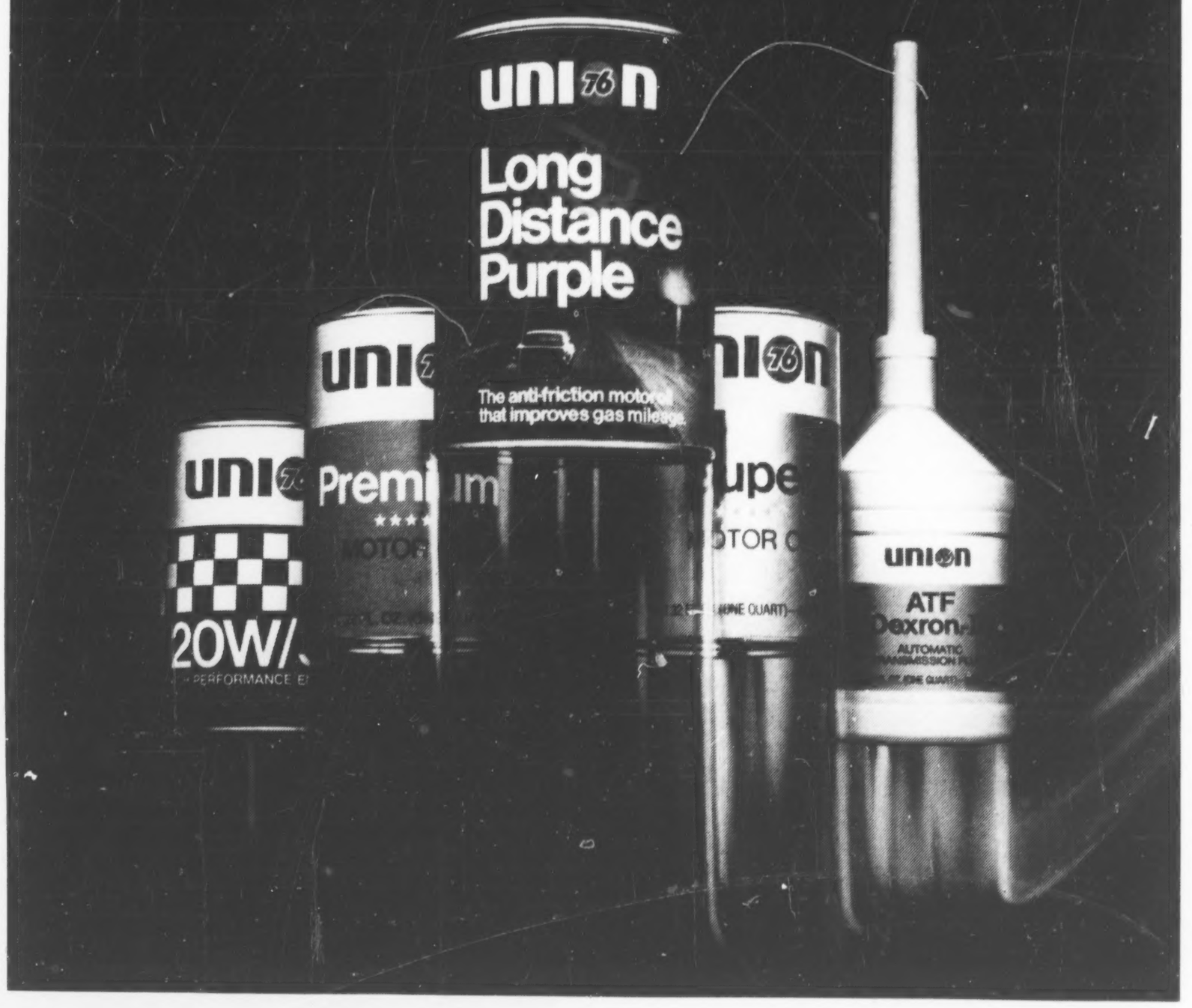
ATF Special Offer Continues.

You can still take advantage of a special offer on ATF products in plastic quarts through June 30, 1982. Buy 12 cases, get one free with any carload purchase of Union motor oils.

For details, contact the Aftermarket Specialist nearest you.

S.C. Bean, Phoenix, AZ, (602) 254-7381
D.A. Campbell, Los Angeles, CA, (213) 860-6531
Jack Steinberg, San Francisco, CA, (415) 235-7600
D.L. Parnell, Portland, OR, (503) 223-1517
W.M. Tastula, Seattle, WA, (206) 223-7600

UNION 76



HOUSEWARES

8th Annual PMA

PRODUCT MOVEMENT AUDIT

Build Stock

(Continued from page 26)

discount store chains, the Chilton 7-pc. set in almond, with SilverStone, took the PMA's top spots.

Ekco's Baker's Secret line remained the dominant part of the bakeware segment of the cookware category.

General Housewares also made a strong showing in cookware with its oval roasters, stock pots and canner. The canner took the No. 6 rank on the PMA even though its sales are strictly seasonal.

The strong year-end finish of the canner was evidence of the growing popularity of canning as a way to keep family food bills in line. The canner, and the entire range of products used for canning, will be important inventory components in 1982.

The plastics category at Nickman is dominated by two manufacturers: Fesco and Lustro-Ware. The leading items from those sources are various sizes in trash cans.

Keeping Pace

Fesco's 20-gal. can in avocado has consistently been a volume item; for 1981 it took the No. 1 PMA spot.

Placing No. 5 in the audit was the Lustro-Ware trash can, a plastic item in the aluminum color. Lustro-Ware introduced this can specifically to appeal to customers accustomed to using a galvanized metal can. Its excellent unit sales during 1981 show that Lustro-Ware's strategy is working.

Other categories which did extremely well last year were cleaning, chemicals, bath and closet shop. Those categories, typically bought with a light hand for January-February selling, are now being stocked heavily, in time for spring cleaning promotions.

While the entire closet/storage category continues to grow, the top promotional item in the area remains Tamor's tubular plastic hangers.

Anchor Hocking dominated the microwave cookware category last year. Its bacon rack took the No. 1 spot on the PMA. Corning's browning items also did very well. For 1982 the category is expected to continue in sales growth.

1981 $ Rank		Item	Unit Movement	Average $ Retail	Total $ Movement
		(Continued from page 26)			
		HOUSEHOLD CHEMICALS			
1	4	4101-16 3M Scotch Guard 16 oz	11,640	4.04	47,025.60
2	—	1351 Johnson Raid killer 18 oz	13,848	3.29	45,559.92
3	—	118 Drackett Drano Liquid 67 oz	19,818	2.18	43,203.24
4	—	6220 Boyle Woolite S/C rug clnr 12 oz	17,472	2.42	42,,282.24
5	—	00441 Alberto Static Guard 6 oz	24,264	1.73	41,976.72
6	—	6140 Boyle Woolite liquid 16 oz	24,240	1.70	41,208.00
7	—	0339 Johnson Lemon Pledge, 14 oz	16,632	2.34	38,918.88
8	5	83 D-Con Four/Gone/SGL pk 7-1/2 oz	12,564	3.09	38,822.76
9	11	0182 Johnson Future 27 oz	12,168	3.17	38,572.56
10	—	201 D-Con Ready mix rat/mouse 1 lb	19,008	1.96	37,255.68
11	—	293 Drackett Endust Aero 12-1/2 oz	17,508	2.08	36,416.64
12	—	120 Drackett Drano, 26 oz	15,564	2.33	36,264.12
13	2	0182 Texize Yes 64 oz	10,494	3.44	36,099.36
14	13	0183 Johnson Future 46 oz	7,614	4.67	35,557.38
15	—	116 Drackett Drano Ind Stren 32 oz	28,584	1.24	35,444.16
		BATH SHOP			
1	1	Selfix 443 portable shower	3,510	6.93	24,324.30
2	3	Grayline 1107 kg size shwr cddy, wht	3,984	3.92	15,617.28
3	13	Selfix 2110 twin hook	12,036	1.18	14,202.48
4	2	Selfix C441 shampoo spray	7,584	1.58	11,982.72
5	4	Ekco 38110/C3811 towel bar, 18 in	5,952	1.75	10,416.00
6	6	Ekco 38890/C3889 T tissue holder	5,844	1.67	9,759.48
7	—	Selfix 2274 towel bar, 24 in	5,448	1.60	8,716.80
8	—	Selfix 2273 towel bar, 18 in	5,628	1.47	8,273.16
9	—	Ekco 38120/C3812 towel bar 12 in	4,848	1.58	7,659.84
10	7	Hanson W64 scale princess white	1,064	7.10	7,554.40
11	10	Ekco 38160/C3816 tw towel bar	2,526	2.97	7,502.22
12	—	Selfix 2272 towel bar, 12 in	5,460	1.36	7,425.60
13	11	Ekco 38170/C3817 towel bar, 24 in	3,588	2.06	7,391.28
14	—	Selfix S2102 modern hook	11,844	0.57	6,751.08
15	12	Selfix 2208 T tissue holder	5,772	1.16	6,695.52

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
		RUBBERMAID			
1	1	2894 Roughneck rfs cntnr choc, 32 gl	4,308	17.47	75,260.76
2	2	2882 Refuse cntnr avoc, 20 gal	4,398	10.63	46,750.74
3	—	1610 Calico shelf liner, gr	4,393	5.74	25,215.82
4	6	2865 Ice cube tray blue	41,256	0.60	24,753.60
5	3	2850 Waste basket/lift lid, choc	3,486	6.22	21,682.92
6	5	2850 Waste basket/lift lid, gold	2,958	6.13	18,132.54
7	9	2965 Laundry basket, choc	4,110	4.27	17,549.70
8	11	2965 Laundry basket, almd	3,570	4.37	15,600.90
9	7	6032 Deluxe Dish drainer, choc	3,300	4.73	15,600.90
10	—	0450 Bath tub mat, white	7,188	2.14	15,382.32
11	—	1181 Drain tray, almond	4,842	3.08	14,913.36

1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	MICROWAVE*			
1	Anchor Hocking PM469/T1 bcn rck	11,430	4.68	53,492.40
2	Corning MW2 browning grill	1,435	20.13	28,886.55
3	Anchor Hocking PM444/T1 bkg sht	6,162	4.63	28,530.06
4	Anchor Hckng PM481/T1 Ver pn, 1 qt	6,118	4.65	28,448.70
5	Anchor Hocking PM447/T1 mffn pn	5,394	4.66	25,136.04
6	Anchor Hocking PM479/T1 rst rck	5,388	4.62	24,892.56
7	Anchor Hocking M400/125 bk st, H Ambr	2,296	10.71	24,590.16
8	Corning MW-A-10-S cvd brwng skllt	1,212	18.62	22,567.44
9	Anchor Hocking PM459/T1 bake rng	4,506	4.70	21,178.20
10	Corning MR1 ceramic rck	2,514	7.10	17,849.40
11	Corning MW 360—set	513	29.15	14,953.95

**New category for the PMA.*

These housewares figures for calendar 1981, supplied by Myron Nickman Distributors, a division of Cook United, Maple Heights, Ohio, cover 900 stores, including 125 discount stores in the Midwest. Average retail prices reflect typical price points for discount chains.

Gemco, Memco Set Fall Bows

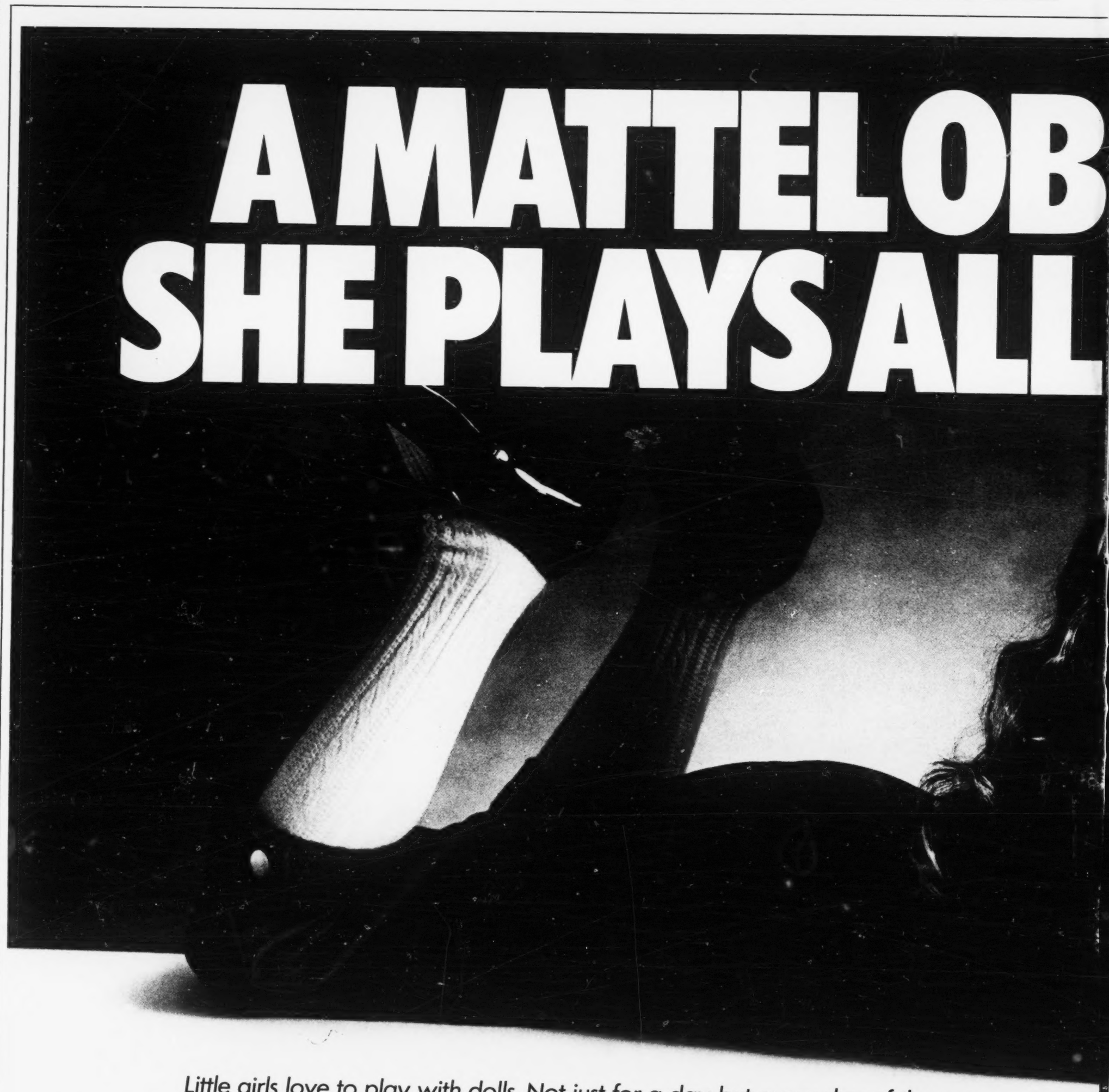
DUBLIN, Calif.—Lucky Stores has set the sites for two of the six to eight discount stores planned for 1982.

The two are a Gemco in Victorville, Calif., and a Memco in Greenbelt, Md.

Both will open in the fall.

The Victorville store will be Gemco's second in San Bernardino County and boosts the discounter's count past the three-dozen mark in southern California.

The Greenbelt unit will push Memco's total in the Greater Washington Area to eight.



Little girls love to play with dolls. Not just for a day, but every day of the year.

Which is why, at Mattel, we make products little girls can play with all year round. Like the Barbie® doll.

Just as important, we back Barbie with a program of year round support. With merchandising events that invite retailer tie-ins. Such as the Barbie Fashion Show, Barbie Fan Club, and special in-store demonstrations.

Aggressive marketing. And increased advertising.

HOUSEWARES

8th Annual PMA

TABLE TOP

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	—	16-1 Corelle 16-pc set green	19,115	31.49	601,931.35
2	—	16-6 Corelle 16-pc set Woodland	17,302	31.49	544,839.98
3	—	16-4 Corelle 16-pc set gold	15,957	31.49	502,485.93
4	4	2020-12 Expressions 20 pc Indn Smmr	5,414	63.89	345,900.46
5	6	2020-7 Expressions 20 pc Wildflower	4,894	63.89	312,677.66
6	5	2020-13 Expressions 20 pc Meadow	4,170	63.89	266,421.30
7	10	2020-16 Expressions 20 pc Strawberry	4,024	63.89	257,093.36
8	—	16-5 Corelle 16-pc set blue	7,919	31.49	249,369.31
9	—	3216-32 Corelle Dem 4 16-pc set Cin	6,250	38.69	241,812.50
10	—	115 Pyrex Hrricandle	20,203	8.09	163,442.27
11	—	16N Corelle 16-pc set white	4,657	29.69	138,266.33
12	12	3216-31 Corelle Dem 4 16-pc st Ctr	3,268	38.69	126,438.92
13	11	3216-33 Corelle Dem 4 16-pc st Alm	2,794	38.69	108,099.86
14	—	4020-71 Corelle Trad 20 pc Harvest	1,341	47.69	63,952.29
15	—	4020-8 Corelle Trad 20 pc Spice	1,215	47.69	57,943.35

GLASSWARE

1	—	3600/672A Anchor Hocking Entrtnr st	2,689	26.09	70,156.01
2	1	N3600 Anchor Hckng Gld Nwpt 24 pc	5,031	12.59	63,340.29
3	—	3600 Anchor Hckng Crstl Wstwd 24 pc	4,154	12.59	52,298.86
4	—	Y4200 Anchr Hckng Frst 24-pc st, br	4,162	12.14	50,526.68
5	—	4200 Anchor Hckng Frst 24-pc st crstl	3,850	12.14	46,739.00
6	—	39 Anchor Hocking Snoopy Bank	22,258	1.70	37,838.60
7	4	214D Libbey Oriental 8-pc bvrg st	3,281	9.89	32,449.09
8	—	824868 Libbey 24-pc Bolero, blue	2,310	13.49	31,161.90
9	—	82496T Libbey Tawney Entrtnr st 24 pc	1,814	17.09	31,001.26
10	—	159 Libbey Berkshire 8-pc bvrg st	2,898	10.52	30,486.96
11	—	82486K Libbey 24-pc Bolero gold	2,188	13.49	29,516.12
12	—	82425T Libbey 24-pc Tawney Apollo	1,431	19.79	28,319.49
13	—	82430K Libbey Gold Cntry Grdn 24 pc	1,257	21.59	27,138.63
14	—	700 Anchor Hocking 11-pc st Prsct	2,153	12.59	27,106.27
15	—	700/719 Anchor Hocking 7-pc st Prsct	2,676	9.89	26,465.64

COOKWARE

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	2	M433BP Ekco Bakers oblong ck pn	22,269	3.59	79,945.71
2	1	M411BP Ekco Bakers cookie sheet	17,618	4.04	71,176.72
3	3	M410BP Ekco Bakers cookie sheet	15,659	3.59	56,215.81
4	5	M120BP Ekco Bakers 12-cup muffin	12,652	4.31	54,530.12
5	—	M426BP Ekco Bakers roast/bake	9,124	4.94	45,072.56
6	6	R411 Ekco cookie sheet	14,622	2.60	38,017.20
7	7	M447BP Ekco Bakers loaf pan	11,689	3.23	37,755.47
8	8	M408BP Ekco Bakers cookie sheet	11,481	2.87	32,950.47
9	—	M160BP Ekco Bakers pizza pan	9,001	3.59	32,313.59
10	—	R433 Ekco roasting pan	12,472	2.24	27,937.28
11	—	M60BP Ekco Bakers 6-cup muffin	7,018	3.59	25,194.62
12	—	M482BP Ekco Bakers cake mix	8,588	2.87	24,647.56
13	—	51123 Nordic bundt pan 12 cup gold	3,115	7.64	23,798.60
14	—	M95BP Ekco Bakers round cake pan	10,189	2.33	23,740.37
15	—	M407 Ekco Baker loaf pan	9,071	2.60	23,584.60

GADGETS

1	2	29031-UC Rhodes timer white	8,125	7.64	62,075.00
2	1	407-21 Swing-A-Way hnd swng away	14,078	4.22	59,409.16
3	—	29035-UC Rhodes timer almond	5,347	7.64	40,851.08
4	—	885 Ekco Miracle can opener	36,071	0.98	35,349.58
5	—	884K Ekco 4 way can opener	22,687	1.52	34,484.24
6	9	3K Ekco peeler	37,719	0.71	26,780.49
7	—	1336/2580 Forster rolling pin	6,766	3.95	26,725.70
8	6	C876A Ekco hand can opener	10,033	2.33	23,376.89
9	—	6273AP Ekco egg beater	5,066	4.49	22,746.34
10	14	9501 Comware set of 3 wood spoons	18,660	1.16	21,645.60
11	—	5K Ekco stainless peeler	14,883	1.43	21,282.69
12	—	119 Bromwell grater	11,643	1.79	20,840.97
13	10	5973 Taylor oven therm	7,724	2.69	20,777.56
14	—	7987 Gemco food chopper	8,654	2.33	20,163.82
15	—	101 Range Kleen range reflecter 6"	7,912	2.51	19,859.12

(Continued on page 30)

PMA

PRODUCT MOVEMENT AUDIT

Low-Priced Items to Get Promo Brunt

By HAROLD RUBIN
President,
HalMar Distributors

In the face of a continuing sluggish economy, discount chain business has been holding up well in the New England area, and housewares represents one of the bright spots.

After closing 1981 with relatively clean housewares inventory positions, several chains revised their budgets upward for the first quarter of 1982. Still, with interest rates high and no signs of a surge in the economy imminent, there remains enormous pressure on inventory levels.

Consequently, buyers are working on as close a lead time as possible and leaning harder on distributors and manufacturers for quick deliveries of smaller quantities.

Promotions Upped

To bring in first-quarter sales, buyers counted on heavy promotional activity. In the housewares area, this meant concentration on low-investment, high-turning categories such as cleaning supplies and disposables, and hitting those categories with traffic-building price points.

Higher-priced housewares won't be immune from promotional activity, but the price emphasis for the first half is shaping up to lean in the direction of low-priced items.

Consumers' tight grips on their wallets are, predictably, causing most buyers to hesitate before taking the plunge into new items or categories. But, during 1981, several areas successfully emerged from their testing periods and were bought with a somewhat heavier hand for 1982. In this group, depending on the chain, might be: kettles, ceramics, woodenware and copperware.

Ironically, despite the weak economy, these merchandise areas, and others, are presenting discounters with ample opportunities to trade up prices in housewares.

Another area slated for a trade-up in 1982 is cutlery.

Several chains will be carving a 4-ft. section in the gadget or cutlery presentation for higher-priced items to bring in a better return on their space. With customers demonstrating preference for quality items, discounters will use this space, for instance, to sell a paring knife at $4, instead of $1, with little to no trade-off in unit movement expected.

Late first-quarter and sec-

(Continued on page 30)

SERVATION:
YEAR ROUND.

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All this has made Barbie a year round success for 23 years. And with your support, it's bound to continue. Because as long as there are little girls, you'll have success for all seasons.

MATTEL®

SUCCESS FOR ALL SEASONS.

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HOUSEWARES

8th Annual PMA

Caldor's Framingham, Mass., store adds seasoning to its run of basic Pyrex items and glass storage jars with a natural wood display of spice jars and a bamboo steamer. *(DSN photo)*

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
		(Continued from page 29)			
		PYREX			
1	6	2320F 2-qt Bake dish & bskt	9,630	8.99	86,573.70
2	—	233 Utility dish	16,338	5.21	85,120.98
3	1	2330 3-qt Bake dish & bskt	4,953	14.39	71,273.67
4	—	6230F Cov cass & bskt Fireside	6,399	8.09	51,767.91
5	—	209FA Pie keeper	6,108	8.09	49,413.72
6	4	6840 2-qt Casserole & basket	3,177	14.39	45,717.03
7	—	2325F 2-qt Oblong dish orig	2,930	15.47	45,327.10
8	—	6245F 2-qt Cov cass orig	2,878	15.47	44,522.66
9	—	2220F Sq cake dish & bskt	5,477	8.09	44,308.93
10	9	508 Measure	21,235	2.06	43,744.10
11	11	516 Measure	15,213	2.51	38,184.63
12	—	470-6 Bake set Woodland	2,670	14.21	37,940.70
13	—	232 Utility dish	8,068	4.67	37,677.56
14	—	2131F Party server II	1,708	21.59	36,875.72
15	—	463 D Custard cup	11,700	3.14	36,738.00
		CORNING			
1	1	F330 French White 3-pc set	4,063	38.69	157,197.47
2	5	P140 Sidekick dishes wh	14,681	8.09	118,769.29
3	—	P839 Duette set Cornflower	7,906	14.39	113,767.34
4	—	P14 Cass-erette	13,353	7.55	100,815.15
5	—	P185 Snack-IT set	5,696	10.97	62,485.12
6	—	P100 Minuette set 3 pc	2,909	19.79	57,569.11
7	—	F2 French White 2.5-qt ovl cv cass	3,165	16.64	52,665.60
8	—	N350 Rangetopper 6 pc	735	62.09	45,636.15
9	3	P150 Grab-IT	4,292	10.61	45,538.12
10	—	P839-8 Duette set Spice	2,268	17.99	40,801.32
11	—	N350-8 Rangetopper 6 pc sp	577	69.29	39,980.33
12	4	F1 Fr Wh 2.5-qt cov cass	2,433	16.19	39,390.27
13	—	F3 Fr Wh 10" pie plate	3,893	9.89	38,501.77
14	11	P104-8 Spice teapot	2,242	17.09	38,315.78
15	—	N350-7 Rangetopper 6 pc Wld	531	69.29	36,792.99

(Continued on page 33)

PMA® PRODUCT MOVEMENT AUDIT

Low-Priced

(Continued from page 29)

ond-quarter sales will also benefit from the sales activity prompted by Corning's first-time offer of customer rebates on dinnerware.

Discounters ordered heavily to back up this rebate program. But, they stuck with the Corning dinnerware they had been carrying prior to the rebate offer. In other words, chains stocking basic Corelle did not move into the higher priced Dimensions IV and Expressions lines because the rebates were available.

During 1982 microwave cookware is expected to continue showing the large gains in volume shown last year. While a broad spectrum of the cookware will be moving off the shelves, one new item already looks like a standout: Anchor Hocking's popcorn popper, retailing at the inexpensive price of about $7.99.

The Product Movement Audit for the past year shows the continuing strength of Corning's 16-pc. Corelle sets. Those sets take the top three spots in the ranking with the best-sell-

(Continued on page 33)

Gemco/Memco Pretax Net Dips Tho Biz Rises

BUENA PARK, Calif.—The Gemco/Memco division of Lucky Stores registered a sales gain of 14.3% from the previous year for the quarter ended Jan. 31, while the sales gain for the fiscal year was 12.3%.

Gemco/Memco volume for the quarter (without leased department sales) was $609 million, compared to $533 million in the previous fiscal year. For the fiscal year as a whole, volume was $1.87 billion compared to $1.67 billion.

Pretax earnings were down at Gemco/Memco, both for the quarter ended in January and for the year. Pretax earnings after LIFO charges were $23.2 million for the quarter, down 0.9% from pretax earnings of $23.4 million for the last quarter of the previous year.

For the entire fiscal year, pretax earnings after LIFO charges were $31.4 million, down 24.7% from the previous year's $41.7 million.

For Lucky Stores, sales were up 11% for the fiscal year to $7.2 billion, a total which included food stores, specialty stores and restaurants. Corporate net earnings were $95.5 million, a 6% increase from the previous year.

Lucky chairman S. Donley Ritchey said the earnings increase was primarily due to strong gains in food and specialty stores, while Gemco/Memco results "continue to be adversely affected by the recessionary economy."

You've made RGIS number one in the inventory business.

And we would like to thank you.

Because of your trust, and dedication to quality, RGIS conducted over 120,000 physical inventories in 1981 alone!

In 1982, our commitment is to give our present, and future clients much more. Our new data gathering equipment "Audit" is just one example. By using the "Audit" system, our trained professionals can obtain both S.K.U. and financial information during the inventory. Valuable information that gives your financial, operations, and merchandising executives the ability to make informed, well-researched decisions quickly.

If you would like more information on how RGIS can help your business, call or write:

Frank Discher
National Accounts Manager
RGIS Inventory Specialists
805 Oakwood
Rochester, MI 48063
(313) 651-2511

RGIS Inventory Specialists

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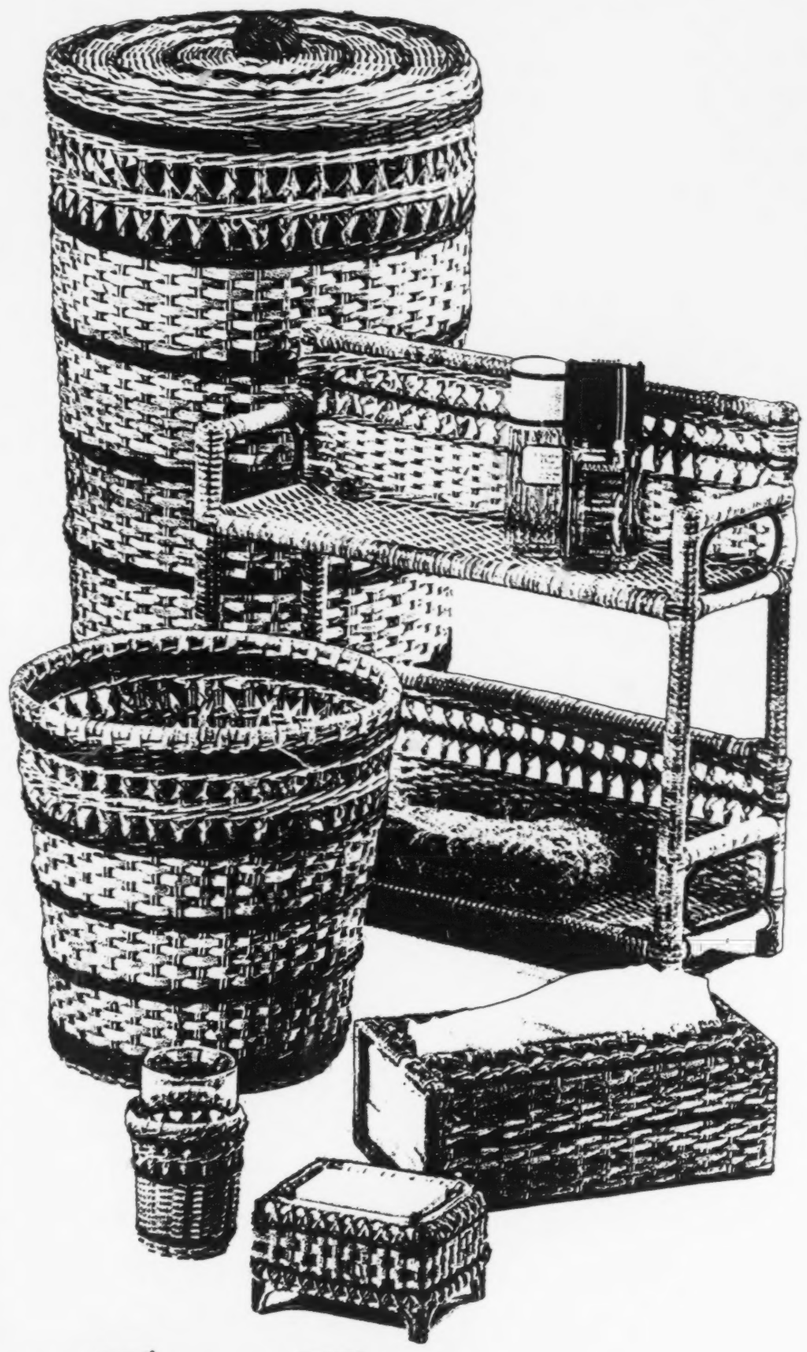

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HOUSEWARES

8th Annual PMA

PRODUCT MOVEMENT AUDIT

Low-Priced

(Continued from page 30)

ing colors being green, Woodland and gold, in that order. Blue, in the No. 8 spot, was the fourth best-selling color in the basic Corelle lineup.

However, since the demand for those sets sometimes exceeded supply during 1981, this had an impact on color ranking. Ranking the colors in terms of customer demand would have put gold in first place.

One of the biggest items in the tabletop category, one not introduced until the fall, was the Pyrex Hurricandle. For many discounters, this was the top item during the Christmas selling season; it finished the year as No. 10 in the tabletop category.

The glassware movement audit also showed evidence of continuing trade-up opportunities for housewares departments. The top five sellers during 1981 were combination sets. The No. 1 item, Anchor Hocking's Entertainer set, was the most expensive of them all. Nine of the top 15 items in glassware were 24-pc. combination sets.

Merchandising Move

This excellent customer response to the combination sets has now laid to rest the belief customers would resist higher price points. Obviously, discounters are expanding their combo set assortments.

From Rubbermaid, the basic laundry and wastebasket items still headed the list in total dollar movement. In unit sales, the bathmats were the best sellers, with white, chocolate and blue ranking in that order.

In dish drainers the top-selling color was chocolate, followed by almond. In dish pans, chocolate was also No. 1, followed by gold and almond.

For 1982 Rubbermaid introduced a new color to its kitchen assortment, seafoam green. Although the verdict is still out on the volume potential of the new color, discounters report the color looks good on the shelves and is, so far, moving well.

White has also been brought back into Rubbermaid's kitchen lineup. It will be interesting to watch if and how the "new" white and seafoam green alter the color rankings in future audits.

The dollar movement leader from Corning last year was, by far, the French White set. Looking at unit sales, the leaders were the sidekick dishes and the casser-ette oval covered casserole.

Republic's Freezette items continued to be at the head of the movement audit in the plastics category. Jumping to third spot from No. 9 in 1980 was the Vanderbilt nylon baster.

Microwave cookware, a new product category for the audit, showed exceptional gains last year. The top item in the category in dollar movement was Corning's microwave grill. In units, the leaders were Anchor Hocking's bacon rack followed by Corning's Micro rack.

1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 30)			
	MICROWAVE*			
1	M-W-2 Corning grill	2,700	24.74	66,798.00
2	MW-360 Corning set	1,010	44.09	44,530.90
3	MWA10 Corning Covered brwnng skllt	1,530	23.39	35,786.70
4	MR1 Corning rack	3,612	8.99	32,471.88
5	PM469/T1 Anchor Hocking bcn rck	4,085	6.83	27,900.55
6	M-10-GR Corning cooker w/rack	1,354	17.99	24,358.46
7	PM447/T1 Anchor Hocking mffn tin	2,101	7.19	15,106.19
8	PM444/T1 Anchor Hocking cookie sht	2,153	6.83	14,704.99
9	PM479/T1 Anchor Hocking roast rack	2,034	6.83	13,892.22
10	MW83-W Corning Menu-ette browner	1,012	12.59	12,741.08
11	PM481/T1 Anchor Hocking versatility	1,792	6.83	12,239.36
12	MC1 Corning small dish	836	11.69	9,772.84
13	M68 Corning Cook N Pour pan	548	15.29	8,378.92
14	PM459/T1 Anchor Hocking bkng rng	1,141	6.83	7,793.03
15	MW101 Corning set	300	23.12	6,936.00

*New category for the PMA.

These housewares figures, for calendar 1981, were supplied by HalMar Distributors, Holyoke, Mass., and cover more than 500 stores, including 400 full-line discount stores from New England to the Carolinas. Average retail prices reflect typical price points for discount clients.

Popcorn poppers have evolved from butterless to self-buttering and now to models which caramel-coat. A basic kitchen electric item, Clover stocks a variety of them in the Trevose, Pa., store. *(DSN photo)*

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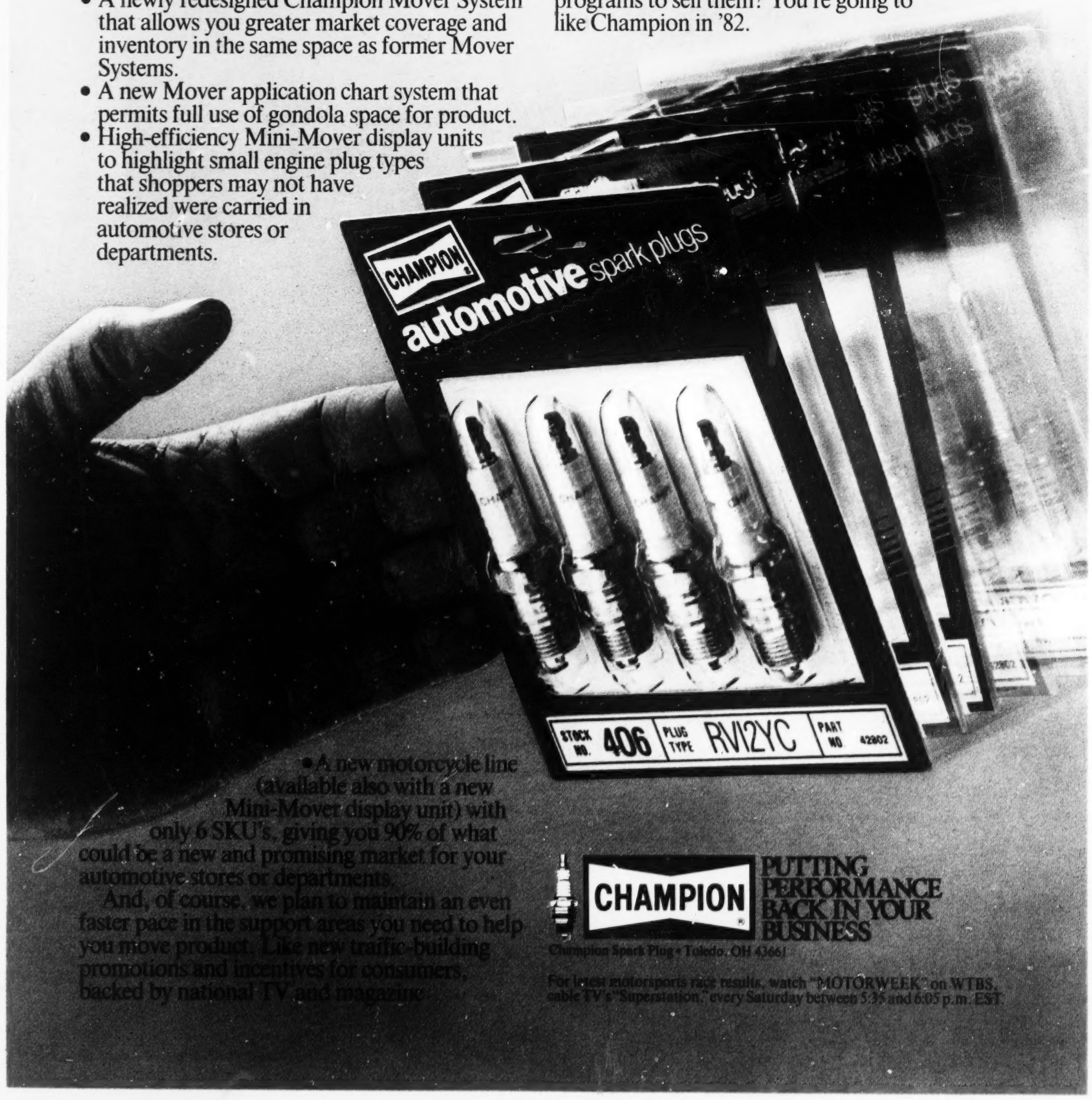

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HOUSEWARES

8th Annual PMA

PRODUCT MOVEMENT AUDIT

Top Makers Offer New Items, Ideas

By JERRY FALK
Executive Vice President, Bacar Inc., Distributors

California's retail business was relatively immune from the adverse effects of a weak economy for most of 1981. For the majority of the year, the state's leading industries, agriculture and electronics, kept employment levels high.

But, the effects of the recession are now beginning to be more apparent on the West Coast.

As a result, during the first quarter of 1982 retailers struggled to meet last year's figures, and this struggle is expected to be a fact of life throughout the first half of the year.

Although it is too early to determine which new items or categories in housewares will perform best and pull ahead of the pack, a few backbone resources such as Corning and Rubbermaid have introduced new products and concepts which could give a boost to sales.

Concept Hailed

For instance, there are Rubbermaid's new bath products and space organizers. The latter group, which is just entering the pipelines, represents a new concept from Rubbermaid. Although only about half the products in the Space Organizer category are new to the line, the concept of merchandising and presenting the expanded line as a total Space Organizer entity is one that retailers can capitalize on during 1982, given Rubbermaid's advertising support for the group.

In the tabletop category, Corning's Corelle dinnerware continued as the strongest seller. As 1981 results show, Corning's higher-priced Dimensions IV 16-pc. sets and Expressions 20-pc. sets outsold, by far, the lower-priced basic Corelle 16-pc. sets.

A new color in Dimensions IV, cinnamon, in the 16-pc. set was No. 1 in the tabletop category. This color, as the PMA indicates, has been a far stronger seller than the same set in almond or citrus, Nos. 6 and 7 on the audit.

In Expressions, the two strongest patterns have been Wildflower and Strawberry. The PMA shows their sales last year as being virtually a tie score. The patterns, Indian Summer and Meadow, have been selling well and are the runners-up to the two top-selling patterns.

The color gold was the leader in the basic Corelle sets and placed No. 8 on the PMA list. Ranking No. 9 was green.

(Continued on page 42)

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
TABLETOP					
1	13	3216-32 Dimension-IV 16-pc st, Cn	2,390	44.99	107,526.10
2	2	2020-7 Expression 20-pc st, Wldflwr ...	1,508	67.49	101,774.92
3	10	2020-16 Expression 20-pc st, Strwbrry .	1,503	67.49	101,437.47
4	2	2020-12 Expression 20-pc st, Indn Smr .	1,347	67.49	90,909.03
5	5	2020-13 Expression 20-pc st, Meadow .	1,040	67.49	70,189.60
6	13	3216-33 Dimension-IV 16-pc st, Almnd .	1,456	44.99	65,505.44
7	—	3216-31 Dimension-IV 16-pc st, Ctrs ...	1,320	44.99	59,386.80
8	—	16-4 Corelle 16-pc set, gold	1,503	34.19	51,387.57
9	—	16-1 Corelle 16-pc set, green	1,121	34.19	38,326.99
10	—	16-6 Corelle 16-pc set, Woodland	1,110	34.19	37,950.90
11	—	20-5 Corelle 20-pc set, Old Town blue ..	931	40.49	37,696.19
GLASSWARE					
1	4	515 Libbey Citation 6½-oz tall wine	8,202	6.93	56,839.86
2	—	771 Libbey 7-oz Margarita glass	21,632	2.07	44,778.24
3	—	2417-26 Jeanette Punch bwl st, 26-pc ..	3,532	12.60	44,503.20
4	—	468 Libbey 24-pc Bolero, gold	2,204	18.45	40,663.80
5	—	519 Libbey Citation stem goblet	5,676	6.93	39,334.68
6	9	17506 Wheaton Sun tea jar w/lid 1-gal ..	8,552	4.32	36,944.64
7	7	682 Libbey Citation white wine 11-oz ...	4,577	6.93	31,718.61
8	14	8007148 Durand 24-pc Lncr bvrge st ...	1,464	21.60	31,622.40
9	4	516 Libbey Citation 6½-oz red wine	4,492	6.93	31,129.56
10	3	484 Libbey 12-pc Spirits & Ale set	1,569	19.80	31,066.20
11	—	490 Libbey Vin wn Cnnsr 8-pc st 8-oz ..	2,245	13.05	29,297.25

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
COOKWARE					
1	—	Gen Hsewares Canner 7 qt	9,615	19.35	186,050.25
2	14	37056 T-Fal 10" skillet rouge	14,718	9.88	145,413.84
3	3	26030 Wear-Ever Prf SlvrStn 10" Ch fr pn	10,839	10.79	116,952.81
4	7	2701 Revere 2⅓-qt tea kettle, cop-btm .	5,341	17.55	93,734.55
5	13	3501 Revere 3½-qt tea kettle, cop-btm .	3,408	23.40	79,747.20
6	—	0509B15 Gen Hswrs Cl Rstr 15-lb brd ..	5,297	13.50	71,509.50
7	11	1121 Revere 6-cup tea kettle, cop-btm ..	3,926	15.75	61,834.50
8	—	2252-2 Revere 2-qt Sign tea kettle	2,213	27.90	61,742.70
9	9	26028 Wear-Ever Prf SlvrStn Chf fry pn .	7,200	8.54	61,488.00
10	—	64330 Ekco B/S 9x13 oblong cake pan .	15,286	3.50	53,501.00
11	—	51199 Nordic 12C formed bundt asst ...	6,630	7.64	50,653.20
GADGETS					
1	—	SVS-19 Steamer basket stainless 3 qt ..	12,964	4.27	55,356.28
2	—	407-H21 Swing-A-Way hnd cn opr Hrvst	12,247	4.48	54,866.56
3	12	407-C21 Swing-A-Way hnd cn opr chc ..	11,308	4.48	50,659.84
4	—	280 Foley jar lifter coated	10,055	4.05	40,722.75
5	2	106AC Range Kleen 8" rflctr pan GE ...	21,348	1.80	38,426.40
6	—	107-21 Swing-A-Way jr hnd cn opr	17,316	2.15	37,229.40
7	14	143 Foley nylon bastr	23,347	1.52	35,487.44
8	4	105AC Range Kleen 6" rflctr pan GE ...	25,692	1.35	34,684.20
9	—	104 L/J EZV roast rack	5,595	5.85	32,730.75
10	—	1150HA Alum filter fry crisp fltr	8,897	3.58	31,851.25

(Continued on page 42)

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HOUSEWARES

8th Annual PMA

PMA®

PRODUCT MOVEMENT AUDIT

Top Mfrs.

(Continued from page 41)

Figures reported in the glassware category show wine drinking has become a popular American indoor sport, rather than something enjoyed by just a few gourmets.

In fact, Libbey's stemware dominated the top 15 items on the PMA with this manufacturer's Citation 6½-oz. tall wineglass taking the top spot. Other items from the Citation group captured spots No. 5, 7 and 9.

A newcomer to the glassware list of top sellers was Libbey's 7-oz. margarita glass in the No. 2 ranking.

Bolero in gold, also from Libbey, placed No. 4. The Bolero in Tawney was No. 15. The Bolero pattern has been one of the strongest glassware items, and in its 24-pc. set combination it has proven itself a winner.

Wheaton's Sun Tea Jar, in the No. 6 place, up from No. 9 in 1980, proved that using the sun to make iced tea was not a passing fad. Sales in sun tea jars are expected to remain strong.

High Volume Eyed

The Jeannette punch bowl set, in the No. 3 spot, has been a strong item throughout the year, an indication of the continuing entertaining-at-home trend.

Dominating the cookware category was the General Housewares canner. That this is strictly a seasonal item, with sales concentrated between May and the end of July, is evidence of the strength of the item. It took the No. 1 spot despite its short selling season.

Since there is virtually no competitive product, and because the high cost of food will keep canning popular, this item will also be a standout during 1982.

Interestingly, the No. 2 item in cookware last year was the T-Fal 10-in. skillet which does not have a nonstick interior finish. This skillet took this high ranking despite the tremendous impact of SilverStone advertising and sales all during the year.

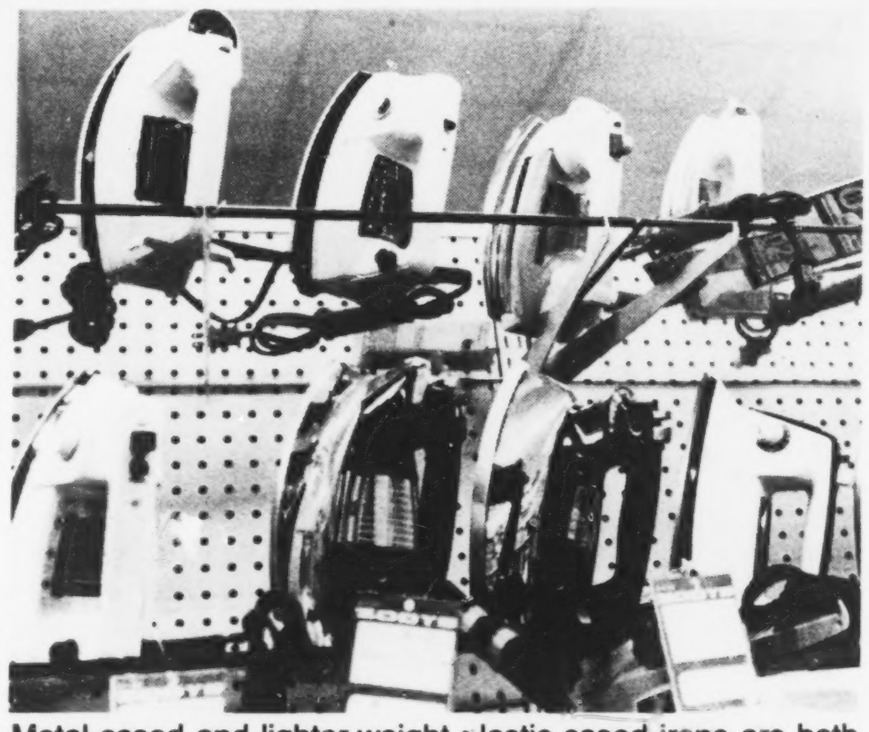
(Continued on page 43)

Merchandising Panel Planned

NEW YORK—The National Retail Merchants Association (NRMA) is sponsoring a two-day seminar June 7-8 on Merchandising Systems, Controls and Procedures, at the Barbizon Plaza Hotel in New York.

Programmed for specialty store owners and buyers, the seminars will cover turnover, gross margin, open-to-buy, inventory control, six-month plans, advertising and promotion and display and merchandise presentation.

Registration fee for members is $240; for nonmembers, $350. Registration information is available from the NRMA's Merchandise division, 100 W. 31 St., New York.



Metal-cased and lighter-weight plastic-cased irons are both part of Zodys' steam iron assortment. A Las Vegas unit features traffic electrics on glass-shelved, pegged gondolas. *(DSN photo)*

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
		(Continued from page 41)			
		CORNING			
1	—	A-500-BN Chef Master Set, Spice	1,072	85.49	91,645.28
2	5	F-330-S French White 3-pc set	2,577	26.38	67,981.26
3	—	F-2 2½-qt oval casserole	2,818	19.34	54,500.12
4	—	A-500-7N Chef Master Set Wildflower	614	85.49	52,490.86
5	—	F-330 Set F-1, F-3, F-5 white	1,262	40.49	51,098.38
6	—	F-1 2½-qt round casserole w/lid, whi	2,422	19.34	46,841.48
7	—	F-3 10" Pie/Quiche, white	3,893	11.69	45,509.17
8	—	F-370-S French White 10pc Hstss st	832	51.29	42,673.28
9	3	A-300-8 C Kitchen Starter Set, Spice	838	50.39	42,226.82
10	—	P-1420 Counter Saver large, white	1,674	25.19	42,168.06
		PYREX			
1	1	233 3-qt oblong bake dish	14,530	6.74	97,932.20
2	—	234 4-qt oblong bake dish	9,318	8.81	82,091.58
3	—	233-F Fireside 3-qt utility dish	7,829	7.19	56,290.51
4	10	3520-S 2-liter juice jug	11,372	4.49	51,060.28
5	—	6245-F Fireside 2-qt covered casserole	2,860	17.09	48,877.40
6	5	2330 3-qt utility dish w/basket	2,912	16.64	48,455.68
7	—	2325-F Fireside 2-qt bake dish	2,834	17.09	48,433.06
8	7	516 16-oz liquid measure	15,243	2.96	45,119.28
9	3	232 2-qt oblong bake dish	7,741	5.75	44,510.75
10	—	440-49S 4-pc mix bowl set A/Harvest	3,408	12.59	42,906.72

(Continued on page 43)

WE'RE GIVING RETAIL CUSTOMERS A CHANCE TO GET A $9.50 REFUND AND A NEW CAR AND YOU A CHANCE TO TURN A WORLD OF PROFITS

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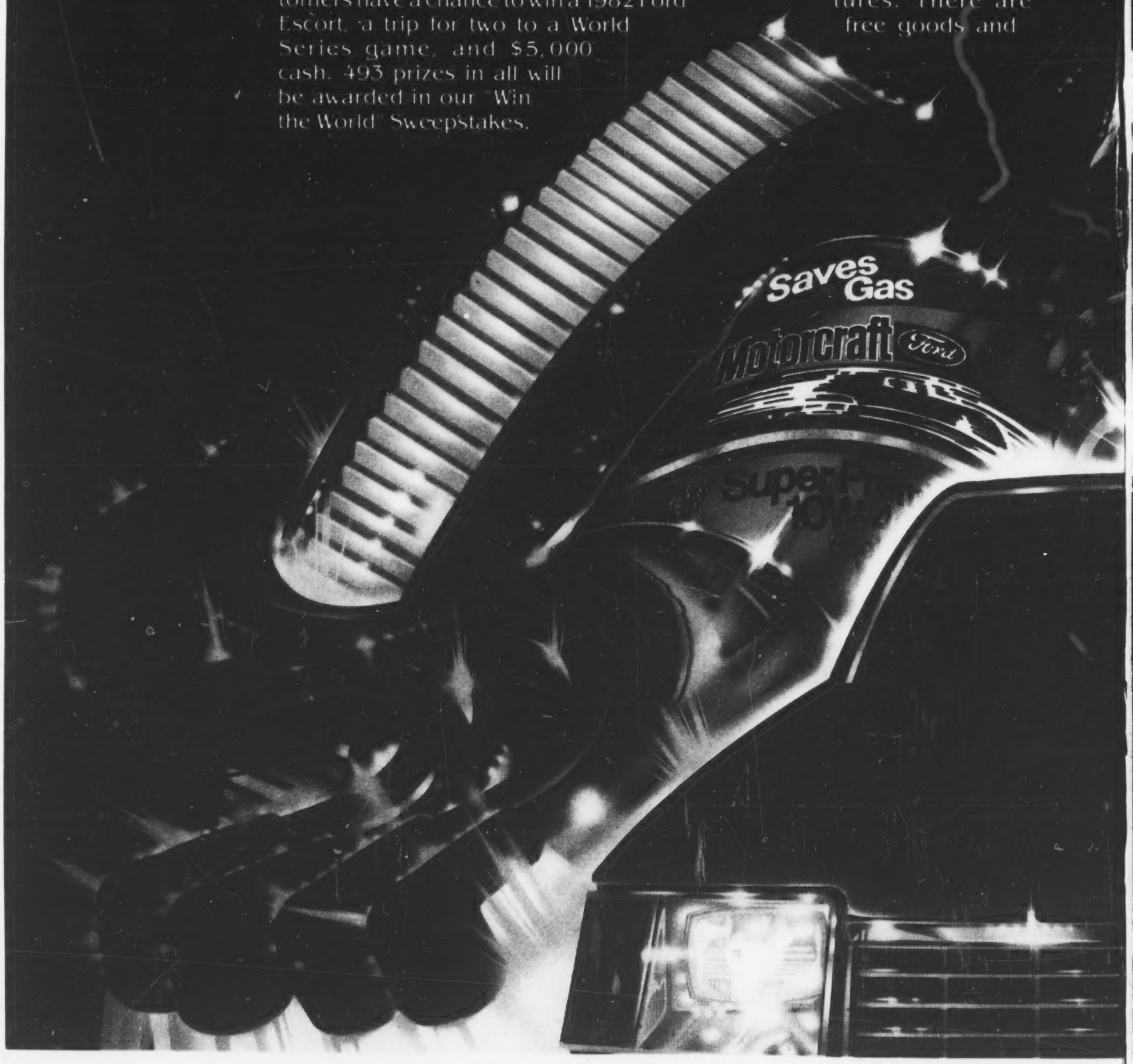


HOUSEWARES

8th Annual PMA

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
		(Continued from page 42)			
		BATH SHOP			
1	1	1107 Grayline lg shwr caddy	15,050	5.12	77,056.00
2	2	1101 Grayline shwr caddy	11,844	3.14	37,719.74
3	7	210C Kellogg bowl brush plstc	13,823	1.07	14,790.61
4	10	443 Selfix port wall/hand shwr	1,520	9.62	14,622.40
5	—	3300PM Borg scale sqr, brwn	858	16.19	13,891.02
6	3	C-441 Selfix shampoo spray	6,740	2.06	13,884.40
7	—	8080/8 Wall drip dry hanger	11,890	1.16	13,792.40
8		3300PM Borg scale sqr, white	809	16.19	13,097.71
9	—	3300PM Borg scale sqr, gold	732	16.19	11,851.08
10	—	2525LM Borg scale oval, almd	418	25.19	10,529.42
11	—	7210LM Borg scale rctnglr, wht	469	21.59	10,125.71
		RUBBERMAID			
1	2	2894-C Roughneck rnd cn 32-gal, choc	3,440	25.64	88,201.60
2	3	2894-A Roughneck rnd cn 32-gal, avoc	2,609	25.64	66,894.76
3	7	2965-C Rect laundry basket, choc	9,865	5.75	56,723.75
4	1	2865-B Ice cube tray single pk	57,381	0.98	56,233.38
5	10	2979C Roughneck rect 30-gal, choc	2,022	25.64	51,844.08
6	4	2309-AL Slide-out drwr 12", almnd	5,069	10.16	51,501.04
7	5	2311-AL Slide-out drwr 16", almnd	4,282	11.06	47,358.92
8	—	2965-AL Rect laundry bskt, almnd	7,524	5.75	43,263.00
9	12	2845-C Small rect wstbskt, choc	8,910	4.76	42,411.60
10	11	2937 Twin turntable, almnd	9,350	4.31	40,298.50
11	—	2979-A Roughneck rct cn 30-gal, avoc	1,554	25.64	39,844.56

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
		CLEANING & CHEMICALS			
1	3	900 National Corn brown economy	15,337	4.04	61,961.48
2	1	1185 Roll-O-Matic sponge mop	4,857	10.97	53,281.29
3	11	4001 Kellogg Capt Hook Angle broom	6,702	4.48	30,024.96
4	7	045 Quickie Automatic sponge mop	3,991	7.37	29,413.67
5	10	19-645 Ballonoff cppr dstpn	14,849	1.70	25,243.30
6	2	00272 O-Cedar Angler broom	3,654	6.65	24,299.10

1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	MICROWAVE*			
1	62304 Nordic Micro-Go-Round	6,945	50.39	349,958.55
2	MW-2 Corning Micro browning grill	3,851	29.24	112,603.24
3	63204 Nordic micro bacon/meat rack	13,488	8.09	109,117.92
4	Nordic Micro-Go-Round	1,872	50.39	94,330.08
5	MW-A-10 Corning 10" cvrd br sklt	2,698	28.34	76,461.32
6	PM469T1 Anchor Hocking mc bcn rck	8,916	6.52	58,132.32
7	MW-360 Corning Microwave set	904	51.29	46,366.16

**New category for the PMA.*

These housewares figures, for calendar 1981, were supplied by Bacar, distributors, San Jose, Calif., and cover 658 stores, including 480 mass merchandisers. Average retail prices reflect typical price points for mass merchandisers.

PMA® PRODUCT MOVEMENT AUDIT

Top Mfrs.

(Continued from page 42)

Close behind the T-Fal skillet was the Wear-Ever 10-in. skillet with SilverStone which took the No. 3 spot.

By now it would seem that every household in America has several teakettles in the kitchen, so strong has the category been throughout 1981. Nevertheless, teakettles continue to be a big category with sales projected to be just as healthy in 1982.

The PMA also proved with four Revere kettles among the top 15 items in cookware, consumers not only want kettles but are also buying quality items, not just looking for a low price.

The No. 1 and No. 2 items in the bath shop category remained the Grayline King Size Shower Caddy and the regular size shower caddy. These two items are not only strong basics but also lend themselves to price promotions, and discounters found them to be winners each time they were promoted. Their unit and dollar volume showed them to be, far and away, the best-selling items in the bath area.

Strong Impact

Because they represent big-ticket items, Borg scales also dominated the bath shop PMA, placing eight items among the top 15 sellers. If sales of the colors of the Borg square, rectangular and oval scales were combined, they would jump up even higher in the PMA rankings.

The No. 1 item in gadgets was the stainless steel steamer basket, an item that sold as both a basic and on price promotions. Even in these days of mechanization, hand can openers remained top sellers in gadgets. Swing-A-Way openers took the Nos. 2, 3 and 6 spots.

More Winners

Heading the list in the plastics category was the 30-gal. garbage can from Tucker, the biggest-selling size in this area and a strong seller during price promotions.

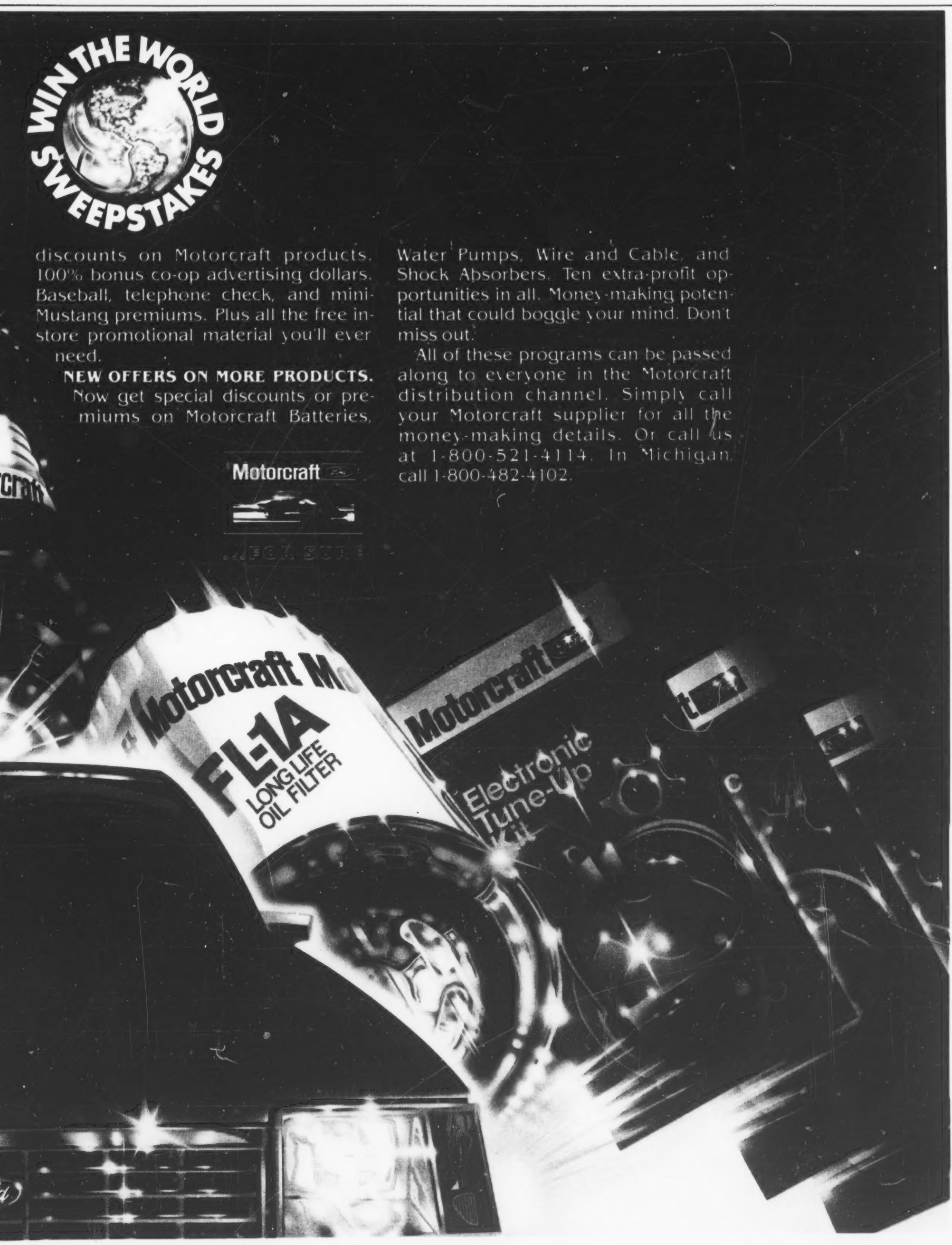
In the Nos. 2, 3 and 4 spots were Republic's Freezette sets, items which also reflected the strong interest in canning and storing foods.

The fastest growing category in the entire housewares section last year was microwave cookware.

Nordic's Micro-Go-Round was, by far, the biggest item in the category last year. As the PMA shows, Nordic, Corning and Anchor Hocking all have strong microwave items.

A relatively new microwave item, the Raytheon popcorn popper, made the PMA and took the No. 11 spot.

Despite the reported drop in microwave oven factory shipments during the first two months of 1982, microwave cookware sales are expected to continue strong on the West Coast.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AUTOMOTIVE

8th Annual PMA

PMA®

PRODUCT MOVEMENT AUDIT

Recession Aids DIY Repair Biz

Although sales failed to achieve a substantial increase last year in the automotive department for Stem Distributing, the category as a whole continued to be very strong, especially in needed repair items.

"People are continuing to try every means possible to hold onto their cars longer by patching up the trouble spots," said Steve Plecko, newly appointed auto buyer for the Maple Heights, Ohio-based distributor.

Leading the list of top dollar items for 1981 was the D&L hand cleaner, an item that benefited from the increase in do-it-yourself repairs last year. Movement of the 14-oz. cleaner represented $207,164 in retail sales on the strength of unit volume of 181,723.

Improvement Reported

Sales started slowly last year, and began building in May, when interest rates eased. Even so, most discounters relied on basics to carry the weight of the entire category.

Polymer waxes was one category that grew substantially last year, and is expected to keep performing well in 1982. Chains responded by building assortments—in some cases putting five or six different products on their shelves.

However, that product proliferation, as generally happens, resulted in sharpening prices and eroding gross margins. Discounters who noted a 10% or better margin spread between the polymers and conventional waxes at the begin-

(Continued on page 50)

1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	AUTOMOTIVE			
1	D & L hand clnr 14-oz 01-015	181,723	1.14	207,164.22
2	West cup beam F/21 lamp sy 6014	53,985	3.47	187,327.95
3	STP oil treatment 1015-26/24	69,935	2.34	163,647.90
4	Mobil synthetic oil qt/case	1,047	126.58	132,529.26
5	Fram oil filter Ford PH8A	34,656	3.57	123,721.92
6	Temp-primr lt gray 12¾ ctn	47,388	2.35	111,361.80
7	STP 10W50 motor oil qt ctn	53,760	2.03	109,132.80
8	DuPont Rain Dance paste 14 oz	15,720	6.83	107,367.60
9	Gumout jet spray 7450 ctn	38,316	2.59	99,238.44
10	Armor All protectant 8 oz	35,472	2.61	92,518.92
11	Snap Fix-a-Flat aerosol	84,108	1.10	92,518.80
12	Fram oil filter Gen Motors	22,776	3.94	89,737.44
13	Westsuper beam headlight	26,724	3.31	88,456.44
14	Gumout carb cleaner 12 oz	39,515	2.19	86, 537.85
15	Lee oil filter LF-1	27,828	3.04	84,597.12
16	DuPont Rain Dance liq wax pt	12,035	6.83	82,199.05
17	Woodhill super glue	66,135	1.22	80,684.70
18	Prestone brake fld 12 oz	45,191	1.74	78,632.34
19	West seal/beam sqr hdlght	12,131	6.38	77,395.78
20	Air-cond refrig 14-oz FR12/M8-14	47,448	1.60	75,916.80
21	Temp-primr-red oxide 12¾	31,968	2.35	75,124.80
22	Lee oil filter LF-25	20,904	3.55	74,209.20
23	Mobil spcl 10W30 pallet oil qt	2,080	33.87	70,449.60
24	Pylon 16-in wiper rfll	33,511	2.00	67,022.00
25	West seal beam rec hdlght	7,374	8.94	65,923.56
26	Armor All protectant 16 oz	11,555	5.81	67,134.55
27	Fram oil filter PH25	16,344	3.90	63,741.60
28	Gunk engine brt aerosol EB1	32,640	1.92	62,688.80
29	Vatco car ramp 6500 lb	2,458	25.01	61,474.58
30	Coleman inflate-all 150	1,181	48.38	57,136.78
31	Westley Blue Poly 16 oz	5,592	10.06	56,255.52
32	Mobil spr plit oil 10W40 qt	1,500	36.03	54,045.00
33	Pylon 18-in wiper refill	26,922	2.00	53,844.00
34	Huffy 2-gal f/spout gas 4624	11,784	4.42	52,085.28
35	Fram oil filter Chrysler PH43	14,976	3.46	51,816.96
36	STP Son-of-a-Gun 8 oz	18,696	2.77	51,787.92
37	Lee oil filter	14,456	3.55	51,318.80

1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	AUTOMOTIVE			
38	Westley Blue Poly paste	5,064	10.06	50,943.84
39	Prestone brake fluid qt	11,484	4.43	50,874.12
40	Turtle Wx hrd shll pst 14 oz	13,704	3.68	50,430.72
41	Lee Maxi oil fltr LF-25HP	12,396	4.03	49,955.88
42	STP gas trtmnt 12 oz	25,872	1.93	49,932.96
43	Tradco auto trns fld type A	38,253	1.30	49,728.90
44	Lee Maxi oil fltr LF-1HP	13,056	3.78	49,351.68
45	STP gas treatment 8 oz	34,555	1.41	48,722.55
46	Temp-prmr dk gray 12¾	20,568	2.35	48,334.80
47	Lee oil filter LF-16	15,504	3.09	47,907.36
48	Huffy 5-gal gas can	4,872	9.46	46,089.12
49	Carol bstr cbl 8C812/1 2B/48312	5,627	7.62	42,877.74
50	Huffy 1-gal F/spout gs cn	13,454	3.17	42,649.18
51	Wynn's pwr strng fluid 14 oz	24,324	1.74	42,323.76
52	Prestone super flush 22 oz	16,321	2.57	41,944.97
53	Allison 6-amp bttr chrgr	1,333	31.18	41,562.94
54	Intrydynamic air-cond rchrg kt	5,700	7.14	40,698.00
55	Woodhill Wht Knght bdy fll qt	8,808	4.51	39,724.08
56	Pet chem mini grs gun 7000	4,974	7.60	37,802.40
57	Lee Maxi air fltr AFL-91	7,824	4.82	37,711.68
58	AMP/stand tune up	11,107	3.39	37,652.73
59	Frm oil filter PH3387	9,504	3.81	36,210.24
60	Snap brake fluid 12 oz S262	27,360	1.26	34,473.60
61	Turtle Zip cr wx/wsh T75	8,688	2.08	34,394.88
62	ARCO Graphite mtr oil qt	15,048	2.27	34,158.96
63	Snap undrct 20 oz S 610	17,304	1.95	33,742.80
64	Johnson Kit wax 2662	10,140	3.25	32,995.00
65	Armor All prtctnt 4 oz 13040	20,880	1.58	32,990.40
66	Johnson acrylic kit 12 oz 2645	4,620	7.14	32,986.80
67	Pylon 16-in wiper blade	16,430	2.00	32,860.00
68	Woodhill rstprfng 5 cans ARK1	1,980	16.50	32,670.00
69	Fram air fltr Chevy MO CA326	6,144	5.26	32,317.44
70	West min STP/tl MBC1157/1034	44,594	0.72	32,107.68
71	Armor All prtctnt 32 oz 10320	4,067	7.76	31,559.92
72	Turtle Wax pishll 1-stp 1 qt T-560	3,384	9.28	31,403.52

(Continued on page 50)

Stop & Shop Profit Up 52% For 1981

BOSTON—The Stop & Shop Companies, parent of Bradlees discount stores, reported record earnings of $24,531,000 for 1981, a jump of 52% from 1980's $16,147,000.

Sales for 1981 were a record $2.2 billion, up 5.3% from $2.1 million.

The year's earnings, however, were reduced by $3.3 million or 81¢ per share as a result of the LIFO method of valuing the company's supermarket and Bradlees inventories. This compares to a 1980 LIFO adjustment of $5.3 million.

Included in the 1981 earnings was an after-tax gain of $6.6 million from the divestiture of 19 supermarkets in New Jersey. The 1980 results had been reduced by $4.1 million from the discontinuance of the company's Marlboro meat plant.

The general merchandise companies achieved favorable results for the year. Bradlees exceeded $700 million in sales, generating over $120 sales per square foot of selling space.

Announcing Shell's Fire & Ice® Motor Oil

STASH THE CASH DAYS

May 28-July 31
$1.50/Case Cash Rebate

Cash in on the strong existing demand for a trusted brand—Shell Fire & Ice® Motor Oil (10W-30, 10W-40 and 10W-50)—as car owners get set for summer trips. Purchase and promote Shell Fire & Ice Motor Oil May 28 through July 31, 1982, and receive $1.50 per case cash rebate from Shell. Set up an off-aisle or an end-cap display, advertise the display and you'll see how fast this popular motor oil moves—and how fast you can stash a real cache.

Call your Shell Sales Representative for full details so that you can earn some big money on the big mover in the big-volume middle-priced line—Shell Fire & Ice.

Los Angeles	St. Louis	Chicago	Detroit/Cleveland	Atlanta	New York
Dave Gillespie	Jerry Childs	Tom Walsh	Larry Polich	Dave McHenry	Steve Jones
(714) 991-9200	(314) 291-5700	(312) 887-5775	(216) 842-4000	(404) 955-4720	(201) 325-5497

AUTOMOTIVE

Wal-Mart, Rogers, Ark., drives a hard bargain with its no-frills car ramp display featured along the store's main aisle, running through hard lines departments. *(DSN photo)*

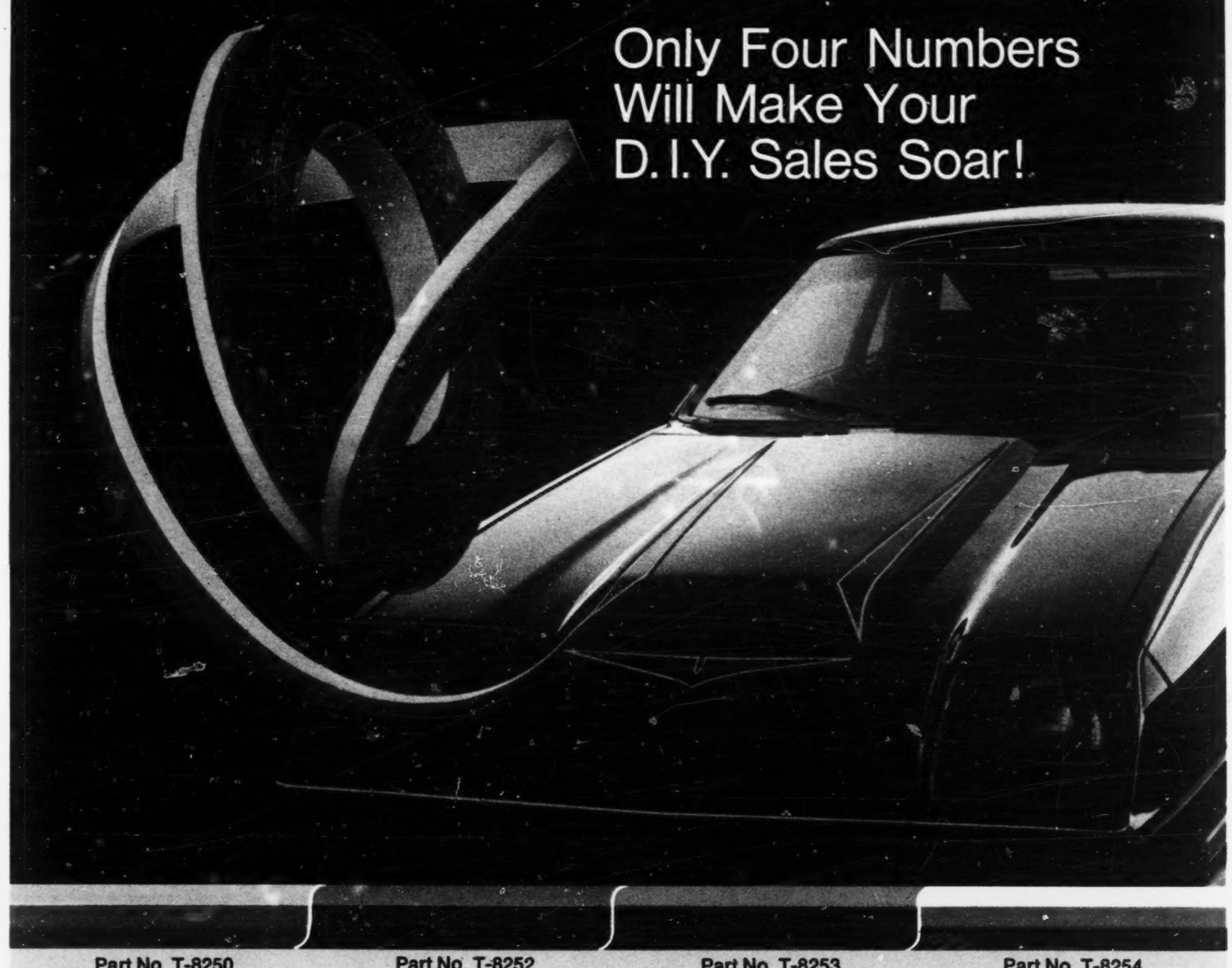
1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 49)			
	AUTOMOTIVE			
73	Allison 6/2 amp bttr chrgr	913	33.58	30,658.54
74	Amp/std tune-up GM AMC	6,871	4.46	30,644.66
75	Lee Maxi oil fltr LF-24MP	7,500	4.03	30,225.00
76	Tradco auto trns fld type A gl	6,125	4.93	30,196.25
77	Pylon wpr delay cntrl 7101	2,382	12.14	28,917.48
78	Carol cbl plg WI 8CY 32901/32821	3,210	8.99	28,857.90
79	Lee Maxi air fltr AFL-92	5,970	4.82	28,775.40
80	Armor All cleaner 16 oz 30160	15,792	1.81	28,583.52
81	Lee oil filter LF-40	8,254	3.36	27,733.44
82	Lee Maxi oil fltr LF-16HP	7,224	3.81	27,523.44
83	Gunk foamy engn brght FEB-1	14,783	1.86	27,496.38
84	Ford oil filter FL1A	6,996	3.92	27,424.32
85	Turtle Wax zp wx cr wsh pwdr T710	15,012	1.82	27,321.84
86	AMP/standardize distr C DRi976	6,680	3.98	27,302.80
87	Pet-chem lvr grs gun 7091	3,297	8.27	27,206.19
88	West seal bm hdlght 4101/4001	8,196	3.31	27,128.76
89	Carol bstr cable 12 ft	1,668	16.08	26,821.44
90	Pet Chem lithium grease 14 oz	19,056	1.39	26,487.84
91	GE silicon w/shld gls seal 54W03	8,048	3.28	26,397.44
92	Woodhill super glue 5/5gram	14,804	1.76	26,055.04
93	Mobil spcl mtr oil 10W30 qt	752	34.64	26,049.28
94	Turtle Wax plshll 1-stp pst	2,802	9.28	26,002.56
95	Woodhill White Knght bd fll gl WKD 40	2,056	12.41	25,514.96
96	Fram air filter GM	4,308	5.82	25,072.56
97	Temp update kt 1981 w/pnt 168OJ	63	396.24	24,963.12
98	Pet-chem grease F/7000 GU	9,863	2.53	24,953.39
99	Hydas Tradco trns slr-cndr	18,672	1.33	24,833.76
100	Carol bttr trmnl universal CC1	26,232	0.94	24,658.08

Automotive PMA figures, covering the calendar year 1981, were supplied by Stem Distributing, a division of Cook United, Maple Heights, Ohio. The firm services 600 stores, including 480 discount stores, in 25 states. Average retail prices reflect typical price points for discount clients.

Take A Tip From The Professionals...

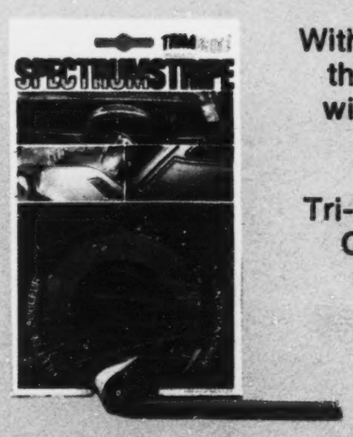
SPECTRUM!

Only Four Numbers Will Make Your D.I.Y. Sales Soar!



Part No. T-8250 Red/Orange/Yellow
Part No. T-8252 Beige/Bu. Gold/Brown
Part No. T-8253 Lt. Blue/Med. Blue/Dk. Blue
Part No. T-8254 White/Silver/Black

The popularity of Spectrum among professional installers has prompted Trimbrite to introduce this hot new stripe to the D.I.Y. market. Spectrum is the new side-by-side, multi-color stripe mated into a single ⅜" stripe by 40 feet. What's more, just four numbers are the most popular color combinations sold. So inventory is simplified.



With full-color packaging that shows the contents, your sales and profit will soar! Spectrum, great in itself, and a great compliment to the many other popular Trimbrite Tri-Color and Multi-Stripe products. Contact your Trimbrite sales representative today or call toll free 1-800-248-7800. Order today.

TRIMBRITE® PRODUCTS

Spartan Plastics, P.O. Box 67, Holt, MI 48842

8th Annual PMA

PMA® PRODUCT MOVEMENT AUDIT

DIY Aided

(Continued from page 49)

ning of the year found the gap had narrowed considerably by year's end.

So far, though, the new class of waxes hasn't seriously hurt conventional wax sales, and manufacturers of those products aren't standing still: Several of them have already begun marketing campaigns to tell consumers there is no real difference—except price—between the two groups.

That conventional waxes were holding their own was evident on the Product Movement Audit for 1981.

DuPont's Rain Dance (14 oz.) finished eighth with 15,720 units moved at an average retail price of $6.83. DuPont's liquid paste, also retailing at $6.83 (average), ranked 16th.

The highest-ranking entry, Westley's Blue Poly, was No. 31 with a total dollar movement of $56,255.52.

Whether the poly waxes will improve their lot in future listings largely depends on a reduction in price points that will, in turn, spur sales. Westley's poly entry, for example, retails for around $10.06, placing it at the high end of the poly line.

Accessories with a functional use also made a strong showing on the yearly audit.

The West super beam F/21 lamp achieved the second spot on the chart on the basis of a strong holiday promotional effort by many discounters. The item had a yearly dollar movement of $187,327.95. Other West products among the top 100 movers were a super beam headlight and a sealed beam headlight which finished 13th and 25th, respectively.

"We continued to see increased sales in basic repair-oriented items such as mufflers, shock absorbers and oil and air filters," said Plecko.

(Continued on page 52)

Remodeling Is Set For Duluth Target

MINNEAPOLIS—The Duluth Target store, originally opened in 1962, will be remodeled.

The sales area will be increased from 79,000 sq. ft. to 85,000, and the store will be equipped with new floor tile, carpeting, ceiling and fixtures. Completion date is July 1982.

SCOA's Sales, Net Increase For Year

COLUMBUS, Ohio—SCOA Industries, parent of Hills, reported an increase in net income from $28.1 million to $32.1 million for the fiscal year ended Jan. 30, 1982.

Sales increased to $1,057.6 million from $941.7 million.

In the fourth quarter, income increased from $20.4 million to $21.7 million and sales rose to $335.2 million from $322.8 million.

AUTOMOTIVE

Neither Too Broad Nor Too Deep

The ongoing struggle to keep a representative mix in each department without unnecessarily loading up on inventory is in evidence at both Clover's Philadelphia store (left) and Wal-Mart's Rogers, Ark., unit. Both discounters work from a basics assortment, with few frills or high-ticket items. In the tire repair aisle, for example, the two discount chains divide and subdivide gondola space to put a streamlined mix on the shelf. Neither chain gets too broad or too deep. Catering to the do-it-yourself auto repair buff in such a way has kept discounters' automotive sales buoyant. *(DSN photos)*

New Profit Lift From Quaker State

Buy 45 cases of Super Blend 24/1 Qts. Get 5 cases FREE!

Buy 44 cases of Super Blend 6/1 Gals. Get 5 cases FREE!

Buy 72 cases of Super Blend 12/1 Qts. Plastic — Get 8 cases FREE!

Buy 38 cases of Super Blend 4/5 Qts. Plastic — Get 4 cases FREE!

Applies to orders received April 15 through May 31, 1982, and shipped at the earliest possible date. April 15 prices for featured product remains firm throughout. Case orders only. No purchase limit.

When you advertise Quaker State Super Blend exclusively, you'll receive 125% of your ad cost. (See our 1982 Retail Allowance Program).

Order today. Ask your Quaker State participating distributor, or Sales Representative about your free cases of Quaker State Super Blend.

Get a big profit lift from Quaker State.

Quaker State: Pipeline to profits.

DIY Aided

(Continued from page 50)

Two product lines not benefiting from the DIY trend are sparkplugs and tune-up kits, both of which continued to drop on the charts—the former due to the greater number of four- and six-cylinder cars on the road, and the latter from technological obsolescence. Increased sales of wire sets, although not appearing among the chart leaders, offset some of the slippage.

While mufflers and shock absorbers didn't make the top 100 movers, they did do well enough to warrant optimism as categories that will help future automotive sales, Plecko reported.

Oil and air filters occupied 12 of the top 100 places on the chart, with Fram's GM oil filter placing 12th on the strength of 22,776 units sold at an average retail price of $3.94.

The chart doesn't show any results for specific models of tune-up parts, and for good reason. For some time chains have been aware parts are a dying category—because new cars are no longer manufactured with standard ignitions—and have stayed away from the items.

Sales of air and oil filters, which are tune-up related items, have rebounded, however. Sales had dropped when motorists cut back on the number of miles they were driving when the cost of gas began heading for the stratosphere. Last year's gas glut put more motorists on the road.

STP's oil treatment finished third on the PMA charts. Mobil's synthetic oil, backed by extensive national advertising, finished fourth on the chart and first among the oils.

Woolworth to Shut Distribution Center

NEW YORK—U.S. Woolworth/Woolco's Pacific distribution center in South San Francisco, Calif., will close permanently on or before June 1, 1982.

The decision to close was based on the company's desire to utilize its more modern facilities within the division's distribution system.

HEALTH & BEAUTY AIDS

8th Annual PMA

PMA®

PRODUCT MOVEMENT AUDIT

Tracking Sales Vital as Makers Boost Rivalry

By M. RAYMOND PRENDERGAST
President
Boston Distributors

The marketing of health and beauty aids is continuing its transformation from art form to science:

- Manufacturers are dedicating themselves to research and development to build sales and market share (and the discounters who are investing with them are moving ahead with increased business).
- The chains are carefully monitoring sales and identifying declining products and categories to achieve higher sales with less inventory and greater profitability.

The jockeying for position and market share will continue throughout 1982.

The manufacturers will increase ad support for their product leaders, in an attempt to keep them on top, while competitors will continue rolling out new products and strategies to chip away at the market dominance of the frontrunners.

Strengths Examined

Discounters will adjust their shelf assortments accordingly, closely tracking product movement and adjusting inventory to reflect the product winners.

In 1981, nowhere was this concept of pinpointing both declining items and those on the rise more evident than in our No. 1 category, deodorants.

Stick deodorants, dominated by Mennen, Old Spice and Brut, have shown steady growth over the past five years with Mennen's Speed Stick achieving the leading share in this area.

Procter & Gamble, seeing the growth potential of the segment, marketed antiperspirant solids under the Secret and Sure brand names. Three of the four sku's available in those brands climbed to the top 10 for 1981.

Another successful new entry was Gillette's Dry Idea, a roll-on supported by excellent marketing strategies.

Although Ban continues to control the strong roll-on segment, and placed second, Dry Idea jumped to No. 3.

Gillette's Right Guard remained the No. 1 item in the deodorant category. But, the decline of aerosols was evidenced by the fact that this was the only aerosol which made the top 15 listing.

The aerosol to watch in 1982 is Lever's Impulse which has been successfully launched in

(Continued on page 62)

SHAMPOOS

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	1	Flex Shampoo Normal 16 oz	128,004	1.95	249,608
2	2	Flex Shampoo Extra Body 16 oz	71,256	1.95	138,949
3	4	Flex Shampoo Oily 16 oz	69,852	1.95	136,211
4	6	Head & Shoulders Lotion 15 oz	31,344	3.99	125,063
5	12	Head & Shoulders Lotion 11 oz	42,816	2.88	123,310
6	3	Head & Shoulders Cndtn Ltn 11 oz	41,798	2.88	120,378
7	5	Prell Shampoo Liquid 16 oz	39,024	2.68	104,584
8	21	Vidal Sassoon Shampoo G30 12 oz	33,456	3.03	101,372
9	7	Silkience Shampoo Extra Body 15 oz	36,000	2.77	99,720
10	10	Vidal Sassoon Shampoo G30 8 oz	40,092	2.40	96,221
11	8	Flex Shampoo Dry & Damaged 16 oz	49,260	1.95	96,057
12	11	Head & Shoulders Cndtn Ltn 15 oz	21,702	3.99	86,591
13	15	Clairol Condition Shmp Nrml 16 oz	39,348	2.10	82,631
14	51	Jhirmack Shampoo EFA 8 oz	29,616	2.47	73,152
15	8	Prell Shampoo Tube Concentrate 7 oz	26,820	2.68	71,878

PROFESSIONAL HAIR CARE

1	2	Clairol Luminize Kit 4 oz	7,981	3.48	27,774
2	—	Pantene Shampoo Concentrate 16 oz	5,593	3.89	21,757
3	15	Pantene Nn Arsl Hair Spray Ultra 12 oz	6,272	2.86	17,938
4	3	KMS Nefa Shampoo 8 oz	3,809	4.48	17,064
5	7	Hennalights Shampoo Blonde 7 oz	7,339	2.27	16,660
6	4	Jojoba Bean Hair Trtmnt 2.6 oz	6,397	2.58	16,504
7	6	Hennalights Shampoo Brntt 7 oz	7,190	2.27	16,321
8	1	KMS Protein Rinse 8 oz	3,595	4.48	16,106
9	5	Jojoba Bean Shampoo 8 oz	7,101	2.26	16,048
10	13	Tresseme Hot Oil 1 oz	13,331	0.83	11,065
11	12	Hask Tiazolin Perm Aid 2.5 oz	6,678	1.64	10,952
12	11	Hask Tiazolin Cream Tube 2.5 oz	6,163	1.64	10,107
13	—	Hennalights Shampoo Red 7 oz	4,335	2.27	9,840
14	—	Pantene Enrichment 8 oz	5,533	1.73	9,529
15	14	Clairol Luminize Packette	9,515	0.92	8,754

CREME RINSES & CONDITIONERS

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	1	Flex Balsam with Body 16 oz	106,848	1.97	210,491
2	2	Flex Balsam Regular 16 oz	85,632	1.97	168,695
3	3	Silkience Conditioner Extra Bdy 15 oz	32,370	2.71	87,723
4	21	Enhance Instnt Cndtnr Regular 16 oz	29,766	2.73	81,262
5	22	Enhance Instnt Cndtnr Dry 16 oz	26,238	2.73	71,630
6	7	Flex Conditioner Oily 16 oz	31,782	1.97	62,611
7	6	VO 5 Hot Oil Trtmnt 4-Pck HOT-4	15,738	3.73	58,703
8	9	Vidal Sassoon Fnshng Rns G60 8 oz	23,424	2.41	56,452
9	—	Flex Conditioner Extra Body 16 oz	26,208	1.97	51,630
10	24	Vidal Sassoon Fnshng Rns 12 oz G62	17,184	2.99	51,380
11	11	Tame Cndtnr Cln Rns Extr Bdy 16 oz	22,032	2.33	51,335
12	4	Silkience Conditioner Regular 15 oz	18,696	2.71	50,666
13	14	Wella Balsam with Body 16 oz	25,596	1.92	49,144
14	17	Tame Cndtnr Cln Rns Normal 16 oz	19,674	2.33	45,840
15	—	Flex Conditioner Dry & Dmgd 16 oz	23,220	1.97	45,743

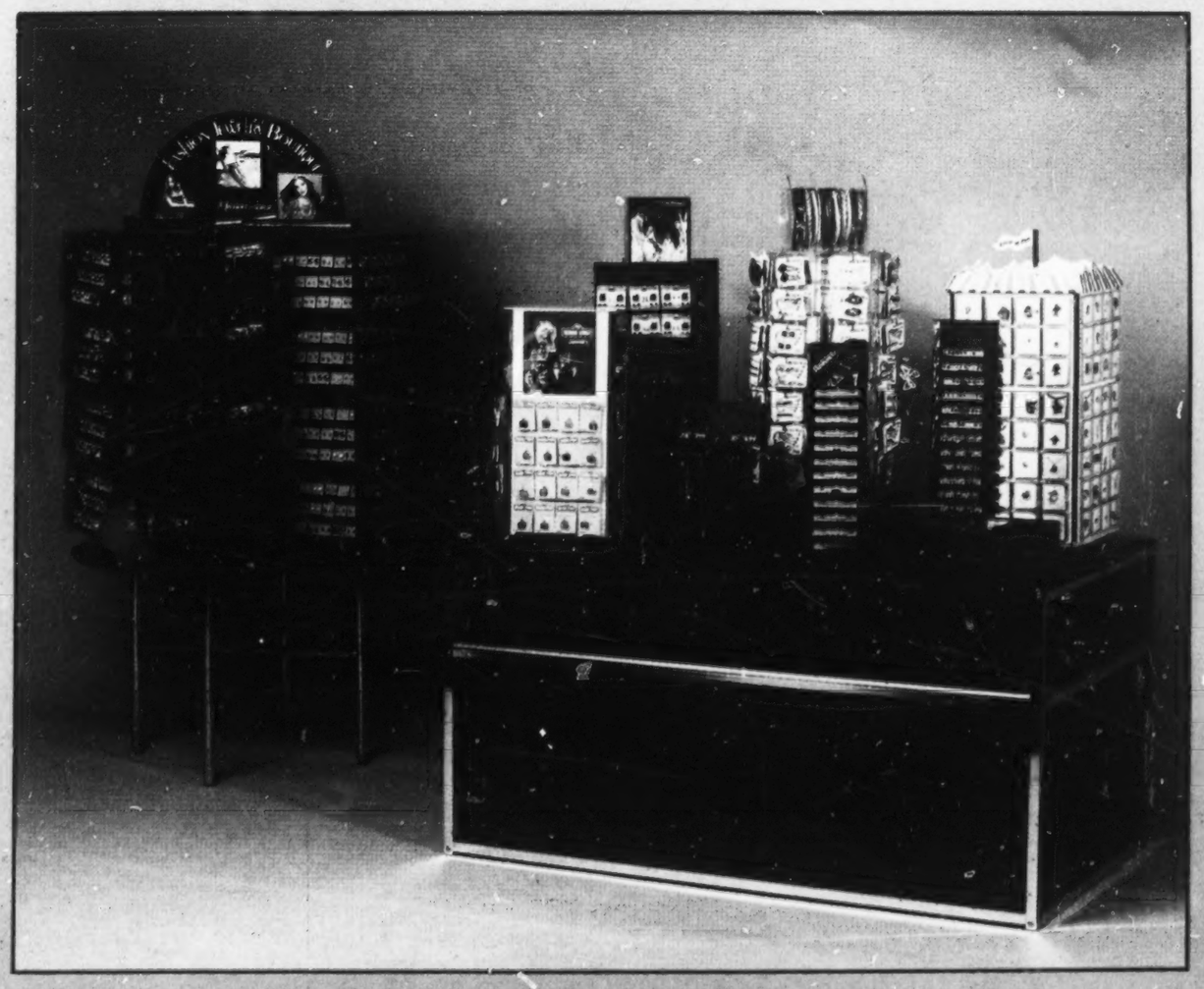
CURLERS AND PERMS

1	1	Rave Soft Perm Refill #3162	25,998	3.40	88,393
2	5	Rave Soft Perm Extra Curly Refill	23,010	3.40	78,234
3	2	Toni Silkwave Perm Regular #1121	19,902	3.77	75,031
4	8	Lilt Push Button #34440	15,402	4.29	66,075
5	4	Toni Silkwave Perm Super #1131	16,710	3.77	62,997
6	6	Lilt Special #34050	20,748	3.03	62,866
7	7	Lilt Regular #32750	16,726	3.77	59,287
8	12	Lilt Super #32380	12,798	3.77	48,248
9	10	Toni Silkwave Perm Gentle #1111	11,925	3.77	44,957
10	9	Rave Soft Perm Extra Curly Kit	6,456	5.56	35,895
11	—	Rave Body Only Refill	7,884	4.54	35,793
12	13	L'Oreal Extra Body Prm Nrml D1091	11,718	2.84	33,279
13	3	Rave Soft Perm Kit #3180	5,756	5.56	32,003
14	11	Toni Curl Frae Kit #1520	5,712	5.36	30,616
15	30	Lilt Soft Perm	7,764	3.94	30,590

(Continued on page 62)

A Fashion Jewelry Alternative!

Would you like to see excitement and turns in this high profit department?



Accessories Associates Inc. will provide the dynamic service program your stores need!

You'll have nationally known brand names and popular licensed products — unique in the industry. All merchandise is top quality, manufactured and shipped direct from the largest factory in Providence, RI.

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(Continued from page 61)

several European countries. Backed by an impressive marketing campaign including attractive point-of-sale materials, heavy television expenditures and lucrative promotional allowances, it is expected Impulse will be well-received by the trade. Lever is launching Impulse this month. The longevity of the product depends on whether or not Lever's perceived need for a body deodorant is as viable on this continent as it has been overseas.

Shampoos, our second-largest category, were led by Flex which captured the top three spots in the annual audit. Revlon, outspent by several brands in advertising, supported Flex with lucrative trade allowances and consumer rebates in order to achieve this high ranking.

Vidal Sassoon and Jhirmack, realizing the potential of professional hair treatment lines, marketed their professional products for the mass market. This strategy has proven extremely successful. Sassoon jumped to Nos. 8 and 10 on the PMA; Jhirmack to No. 14.

Many retailers are now taking this concept a step further by adding complete professional beauty product departments consisting of shampoos, conditioners, perms and hair sprays.

Marketing toiletries containing natural ingredients is another strategy which has taken hold. These products, contain-

(Continued on page 63)

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
(Continued from page 61)					
HAIR SPRAY					
1	2	Aqua Net Hair Spry Super 10 oz	131,796	1.17	154,201
2	1	All Set Hair Spray Gold Extra 19 oz	77,448	1.79	138,632
3	3	Miss Breck Hair Spray 9 oz	67,176	1.84	123,604
4	4	Adorn Hair Spray Hard To Hold 9 oz	46,836	2.58	120,837
5	5	Aqua Net Hair Spray Regular 9 oz	85,440	1.17	99,965
6	6	Aqua Net Hair Spray Unscented 9 oz	79,032	1.17	92,467
7	8	Miss Breck Hr Spr Spr Unscntd 9 oz	47,940	1.84	88,210
8	11	Adorn Hair Spray Unscented 9 oz	31,776	2.58	81,982
9	7	All Set Hair Spray Blue Firm 19 oz	43,656	1.79	78,144
10	9	Adorn Hair Spray Regular 9 oz	28,572	2.58	73,716
11	13	Rave Hair Spray Extra Hold 7 oz	45,564	1.60	72,902
12	10	Miss Breck Hair Spray Regular 9 oz	38,208	2.84	70,303
13	12	Adorn Hair Spray Ultimate 9 oz	26,232	2.58	67,679
14	19	Just Wndrfl Hr Spry Spr Hd To Hd 9 oz	47,748	1.17	55,865
15	20	White Rain Hr Spry Extra Hold 7.5 oz	30,324	1.72	52,157
DEODORANTS					
1	1	Right Guard Deodorant 10 oz	86,224	2.68	231,080
2	2	Ban Roll On Deodorant Rglr 2.5 oz	72,886	2.35	171,282
3	8	Dry Idea Roll On Regular 2.5 oz	51,314	2.79	143,166
4	2	Mennen Speed Stick Regular 2.5 oz	76,966	1.65	126,994
5	6	Secret Sld Antprsprnt Regular 2 oz	58,068	2.12	124,104
6	12	Sure Solid Antiperspirant 2 oz	49,956	2.12	105,907
7	7	Brut 33 Deodorant Stick 2.5 oz	86,888	1.19	103,397
8	9	Sure Sld Antprsprnt Unscented 2 oz	41,328	2.12	87,615
9	—	Mennen Spd Stck Antprspr Fr 2.5 oz	35,616	2.04	72,657
10	4	Ban Roll On Deodorant Rglr 1.5 oz	45,396	1.54	69,910
11	—	Ban Roll On Deodorant Unscntd 2.5 oz	28,368	2.35	66,665
12	11	Mitchum Roll On Deodorant 1.5 oz	28,974	2.21	64,033
13	15	Dry Idea Roll On Ddrnt Unscntd 2.5 oz	22,434	2.79	62,591
14	27	Sure Roll On Deodorant Rglr 2.5 oz	24,912	2.46	61,284
15	13	Mennen Speed Stick Spice 2.5 oz	35,484	1.65	58,549

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
LOTIONS, CREAMS AND MOISTURIZERS					
1	1	Oil of Olay 4 oz	150,966	4.04	609,903
2	3	Oil of Olay 6 oz	52,440	5.88	308,347
3	2	Noxzema Cream Jar 10 oz	68,790	2.67	183,669
4	10	Night of Olay Cream 2 oz	30,120	4.61	138,852
5	8	Vaseline Intensive Cr Ltn Rglr 15 oz	37,314	2.74	102,240
6	9	Noxzema Cream Jar 6 oz	40,422	1.87	75,589
7	4	Vaseline Intensive Cr Ltn Rglr 10 oz	38,340	1.72	65,945
8	17	Noxzema Skn Cr 14 oz Spc #4573	25,188	2.44	61,459
9	11	Keri Lotion 6.5 oz	18,612	3.14	58,442
10	15	Olay Vitalizing Cream 2 oz	12,648	4.58	57,928
11	16	Jergens Lotion 15 oz	20,964	2.64	55,345
12	13	Vsln Intnsv Cr Ltn Extr Strngth 10 oz	31,800	1.72	54,696
13	12	Wet Ones Disposable Towels 70's	34,632	1.52	52,641
14	5	Vaseline Intensive Cr Ltn Rglr 24 oz	13,188	3.93	51,829
15	28	Noxzema Cream Jar 4 oz	35,472	1.46	51,789
FEMININE HYGIENE					
1	2	Massengill Dspsbl Dc Vgr & Wt 2-Pk	54,528	1.30	70,886
2	8	Massengill Dspsbl Dc Cnt Flwr 2-Pk	60,148	1.30	65,192
3	—	Massengill Dspsbl Dch Mdctd 2-Pck	29,940	2.04	61,078
4	1	Summers Eve Hrbl Dspsbl Dch Twin	53,688	1.07	57,446
5	3	Summers Eve Rglr Dispbl Dch Twn	50,484	1.07	54,018
6	4	Midol Tablets 30's	22,770	2.18	49,639
7	7	Summers Eve Vg & Wt Dpsbl Dc Tw	44,988	1.07	48,137
8	6	Pamprin Tablets 24's	22,044	1.82	40,120
9	5	Shy Folding Syringe 25	7,742	5.04	39,020
10	12	Massengill Dspsbl Douche Hrbl 2-Pck	26,892	1.30	34,960
11	9	FDS Spray Regular 1.5 oz	16,974	1.98	33,609
12	10	Massengill Powder Packets 12's	14,172	2.18	30,895
13	49	Midol Tablets 60's	7,596	3.30	25,067
14	14	Massengill Liquid 4 oz	11,442	1.99	22,770
15	11	Pamprin Tablets 48's	8,286	2.74	22,704

(Continued on page 63)

Food, Rx Depts. Are Broken Out In '82 Directory

NEW YORK—Due to a discountland boom in food merchandising and Rx departments, those departments are identified and indexed in a new *1982 Directory of Discount Stores*.

The Rx departments, which exist in 40% of all discount store chains, and food departments which are in all Wal-Mart, Woolco, Zayre and Murphy's Mart stores and 500 T.G. & Y. units, will be added to listings which already include several company-operated and leased categories.

The 1,223-page directory provides details on 425 discount store companies operating 8,000 stores, including sales and square foot information. Also included is a listing of 1,600 catalog showrooms, 150 leased department operators, and 11,000 executives and buyers throughout the discount industry.

The directory is published by Chain Store Guide, a division of Lebhar-Friedman Inc. (which also publishes *Discount Store News*). Copies are available at $125 from Lee Appel, Chain Store Guide, 425 Park Ave., New York, N.Y. 10022; tel. 212-371-9400.

One Great Brand
No other Christmas tree can stand up to the Mountain King.
Because the Mountain King is the only recognized brand name in Christmas trees, permanent or otherwise. It's a name that has gained consumer trust, loyalty and acceptance tree after tree after tree.
It's the only Christmas Tree that's a tradition. And it's no secret why, either.
Only the Mountain King has sustained TV advertising year after year.
It's the only Christmas tree that has consistently received broadcast support. Almost a decade of TV, in all.
Which is why people will ask for, and pay more, for a tree labelled Mountain King than one of similar panel construction.

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
		(Continued from page 62)			
		BABY PRODUCTS			
1	1	Q Tips Cotton Swabs 300's	117,672	1.83	215,340
2	2	Johnson & Johnson Bby Shmp 16 oz	48,972	3.77	184,624
3	3	Jhnsn & Jhnsn Bby Pwdr Ecnmy 14 oz	67,680	2.21	149,573
4	4	Johnson & Jhnsn Bby Pwdr Fmly 24 oz	32,064	3.51	112,546
5	5	Baby Fresh Wipes 80's	35,052	2.91	102,001
6	7	Baby Fresh Wipes 40's	66,060	1.51	99,751
7	10	Johnson & Johnson Bby Pwdr Lrg 9 oz	42,684	1.92	81,953
8	8	Q Tips Cotton Swabs 170's	64,884	1.25	81,105
9	6	Vaseline Intensive Cr Bby Pwdr 24 oz	38,616	2.08	80,321
10	12	Vaseline Petroleum Jelly 7.5 oz	43,104	1.85	79,742
11	16	Vaseline Petroleum Jelly 3.75 oz	64,536	1.20	77,443
12	9	Johnson & Johnson Bby Shmp 11 oz	27,456	2.67	73,308
13	23	Diaperene Wash Cloths 70's	44,988	1.51	67,932
14	21	Desitin Ointment 4.25 oz	31,200	2.17	67,704
15	13	Johnson & Jhnsn Bby Ol Ecnmy 16 oz	19,044	3.46	65,892
		EYE AND EAR PREPARATION			
1	2	Bausch & Lomb Saline Solution 8 oz	48,804	2.13	103,953
2	1	Barnes Hind Wetting Solution 2 oz	33,180	2.88	95,558
3	4	Bausch & Lomb Saline Solution 12 oz	30,342	2.73	82,834
4	7	Soflens Cleaning Tablets 24's	12,186	6.09	74,213
5	3	Bausch & Lomb Disinfecting Sltn 12 oz	19,932	3.42	68,167
6	8	Bausch & Lomb Daily Cleaner 1.5 oz	23,532	2.78	65,419
7	6	Visine Eye Drops Plastic 15cc	33,516	1.70	56,977
8	5	Visine Eye Drops Plastic 30cc	20,022	2.67	53,459
9	14	Bauch & Lomb Lens Lubricant 0.5 oz	12,336	2.77	34,171
10	9	Liquifilm Wetting Solution 60cc	11,358	2.96	33,620
11	12	Murine Plus 0.5 oz	19,710	1.64	32,324
12	13	Preflex 1.5 oz	12,192	2.57	31,333
13	11	Barnes Hind Titan 2 oz	7,308	4.27	31,205
14	27	Soaclens 4 oz	11,616	2.68	31,131
15	10	Barnes Hind Sqtt Skng Sltn 4 oz	10,134	3.04	30,807

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
		DIET PRODUCTS			
1	1	Dexatrim Extra Strngth Cpsls 20's	40,416	3.78	152,772
2	4	Dexatrim Extra Strngth Cpsls 40's	13,188	6.37	84,008
3	2	Dexatrim Capsules 28's	20,052	4.00	80,208
4	9	Sweet 'N Low Packettes 500's	9,720	5.30	51,516
5	11	Sweet 'N Low Packettes 100's	37,752	1.31	49,455
6	16	Control Capsules 14's	19,092	2.33	44,484
7	14	Control Capsules 28's	11,448	3.76	43,044
8	6	Dexatrim Capsules 56's	6,240	6.54	40,810
9	5	Appedrine Tablets 30's	12,828	2.80	35,918
10	12	Dietac Capsules 14's	13,260	2.76	36,598
11	3	Prolamine Super Strength Tblts 20's	11,856	3.07	36,398
12	10	Permathene-12 Capsules 24's	10,320	3.27	33,746
13	23	Sweet 'N Low Packettes 250's	12,144	2.70	32,789
14	—	Dietac Mxmm Strngth Cpsls 20 Cnt	9,288	3.41	31,672
15	8	Dietac Capsules 28's	5,928	4.54	26,913
		ANALGESICS			
1	1	Bufferin Tablets 100's	115,458	2.63	303,655
2	2	Anacin Tablets 100's	111,804	2.32	259,385
3	4	Tylenol Capsules Extra Strength 50's	68,538	3.00	205,614
4	6	Tylenol Capsules Extra Strength 100's	39,330	4.99	196,257
5	3	Bayer Aspirin Tablets 100's	94,980	1.93	183,311
6	5	Excedrin Tablets 100's	63,672	2.85	181,465
7	7	Tylenol Tablets 100's	60,432	2.89	174,648
8	9	Tylenol Tablets Extra Strength 100's	38,400	4.13	158,592
9	10	Tylenol Tablets Extra Strength 60's	47,628	3.00	142,884
10	8	Anacin Tablets 200's	27,096	4.42	119,764
11	12	Bufferin Tablets 225's	20,742	5.67	117,607
12	11	Bayer Aspirin Tablets 300's	21,678	4.74	102,754
13	18	Tylenol Tablets Extra Strngth 30's	44,274	1.78	78,808
14	13	Anacin Tablets 300's	12,894	5.84	75,301
15	14	Excedrin Tablets 225's	11,550	6.16	71,148

(Continued on page 65)

Begets Another.

Each and every Mountain King Wreath is made with the same care that goes into Mountain King trees.

They come decorated, ready for hanging, in sizes ranging from 15" to 18" to 20" to 24".

But most important, they come in a special outer box clearly labelled Mountain King for positive brand identification.

Let us all recognize that the new Mountain King Wreath will become the only significant wreath with a brand name in the industry.

And as you now suspect, the only brand of Christmas Wreath which will be advertised on television. For a merry Christmas in 1982.

After all, it is a Mountain King.®

Introducing Mountain King Wreaths.

PMA®

PRODUCT MOVEMENT AUDIT

Tracking Sales

(Continued from page 62)

ing ingredients such as aloe, keratin and vitamin E, are being marketed by a number of firms with a promising degree of success. This segment should grow significantly when major manufacturers inject millions into advertising natural products.

Aloe has already received the attention of major manufacturers in the skin lotion category. The Andrew Jergens company has introduced a new lotion with this ingredient.

In the skin lotion category, Gillette demonstrated its marketing strength by introducing another winner, its apricot-based Aapri facial scrub.

These products, although strong new entries, will be hard-pressed to outdistance the perennial front-runners in the category. The 1981 PMA for lotions and moisturizers was once again led by Oil of Olay, which placed all four sku's in the listing with the 4-oz. lotion taking the top spot. All four sizes of Vaseline Intensive Care and Noxzema Cream Jar also ranked among the top 15 sellers in the category.

During 1981, Boston's fastest growing H&BA category was eye care. Leading the increase was Bausch & Lomb with its Saline Solution, 8 oz., taking over the No. 1 spot from the Barnes Hind Wetting Solution.

Technological advancements in the manufacture of soft lenses created a new market supporting a variety of items. Bausch & Lomb, the leading manufacturer of the soft lenses, successfully marketed a product line in lens care. Five of these items were among the top 15 in the category.

Even more impressive than Bausch & Lomb's gains in control over the eye care category has been Thompson Medical's domination of diet aids. After four years of dramatic growth, this category has slowed down due to a variety of factors. These include negative publicity regarding a diet pill ingre-

(Continued on page 65)

Sears Registers 2 Proposed Offerings

CHICAGO—Sears, Roebuck has filed registration statements with the Securities and Exchange Commission covering two proposed public offerings of debentures totaling $600 million principal amount.

The offerings include $300 million principal amount of 6% debentures due in 1993 and $300 million principal amount of 6% debentures due in 2000. Goldman, Sachs and Dean Witter Reynolds, a Sears subsidiary, will co-manage the group of underwriters expected to make the offering.

A spokesman said the net proceeds will be added to the general funds of the company and initially will reduce short-term borrowings.

HEALTH & BEAUTY AIDS

8th Annual PMA

PRODUCT MOVEMENT AUDIT

Tracking Sales

(Continued from page 63)

dient known as PPA, and the growing acceptance of fad diets.

Sweet & Low, a big loser during the saccharin scare in the 70's, has bounced back to the Nos. 4, 5 and 13 positions in the PMA.

The shave cream category, reflecting the effect of the recessionary environment, saw Barbasol, a low-priced promotional brand, shoot ahead of both Edge and Foamy to take the No. 1 position in the regular scent. The lime and menthol scents in Barbasol took the No. 5 and 6 positions.

The audit in blades and razors also reflected increasing consumer awareness of price. Disposables showed the biggest gains in the category with Good News Razor 6-pack jumping to the No. 4 spot from No. 21 in 1980. The Bic Shaver in the 5-pack put-up rose to the No. 6 spot after ranking No. 20 in 1980.

But, Atra Cartridge 10's, at the high end of the retail spectrum, maintained its leadership of the blades and razors category by holding the No. 1 and No. 3 rankings.

Problems Seen

Generics, a recently launched category at Boston, has been somewhat disappointing.

One reason for this is that H&BA buyers continue to emphasize private label products, and they are reluctant to invest in both private label and generic products.

In addition, generics have become a price-footballed and highly competitive area which does have to be advertised.

Even though, generics as a total category hasn't been outstanding, there are a couple of items which have been exceptionally good. Movement in cotton swabs, No. 1 in the PMA, has been excellent. Nos. 2 and 8, disposable razors and alcohol, have also been good sellers in the category.

One category which has been largely exempt from some manufacturers' all-out efforts to take market share from the traditional leaders is baby products. Here, Johnson & Johnson continued to be the leader, placing six items among the top 15 in the category.

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
		(Continued from page 63)			
		SHAVE CREAMS			
1	4	Barbasol Shave Cream Regular 11 oz	104,688	0.74	77,469
2	1	Edge Special Shave Cream 7 oz	42,674	1.71	72,973
3	2	Edge Regular Shave Cream 7 oz	42,440	1.71	72,572
4	3	Foamy Regular Shave Cream 11 oz	38,430	1.83	70,327
5	11	Barbasol Shave Cream Lime 11 oz	73,152	0.74	54,132
6	8	Barbasol Shave Cream Menthol 11 oz	71,700	0.74	53,058
7	5	Foamy Lemon Lime Shv Crm 11 oz	27,300	1.83	49,959
8	6	Colgate Instant Shv Crm Rglr 11 oz	44,172	0.94	41,522
9	10	Noxzema Regular Shave Cream 11 oz	20,390	1.69	34,459
10	13	Foamy Menthol Shave Cream 11 oz	18,822	1.83	34,444
11	38	Old Spice Shv Crm Rglr 11 oz	11,244	2.69	30,246
12	14	Colgate Instant Shv Crm Lime 11 oz	26,898	0.94	25,284
13	17	Rise Regular Shave Cream 11 oz	11,112	1.93	21,446
14	19	Colgate Medicated Shave Cream 11 oz	20,982	0.94	19,723
15	9	Noxzema Menthol Shave Cream 11 oz	11,640	1.69	19,672
		BLADES AND RAZORS			
1	1	Atra Cartridge 10's	86,508	3.68	318,349
2	2	Gillette Trac II Cartridge 9's	90,240	3.30	297,792
3	3	Atra Cartridge 5's	145,016	1.95	282,781
4	21	Good News Razor 6-Pack	134,244	1.60	214,790
5	4	Good News Razor 3-Pack	224,592	0.82	184,165
6	20	Bic Shaver 5-Pack RP119	180,616	0.87	157,136
7	7	Gillette Trac II Cartridge 5's	75,816	1.75	132,678
8	8	Personal Touch Refill Cartridge 4's	68,424	1.77	121,110
9	5	Gillette Trac II Cartridge 14's	26,640	4.48	119,347
10	6	Gillette Spr Stnlss Stl Dbl Edg 10's	41,016	2.75	112,794
11	9	Schick II Twin Cartridge 9's	29,124	3.29	95,818
12	12	Schick Plus Platinum Injctr 15's	22,248	3.70	82,318
13	11	Gillette Spr Blue Dbl Edge 15's	30,756	2.64	81,196
14	10	Schick Plus Platinum Injctr 7's	36,240	2.15	77,916
15	13	Gillette Platinum Pls Dbl Edge 10's	22,656	3.12	70,687

1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	GENERICS*			
1	Cotton Swabs 300 Count	17,610	1.14	20,075
2	Disposable Razor 5-Pack	17,380	0.60	9,828
3	Aspirin 250 Count	7,776	1.21	9,409
4	Blades All Trac 10 Count	5,052	1.65	8,336
5	Baby Oil 32 oz	3,324	1.90	6,316
6	Stick Deodorant 2.75 oz	5,400	1.07	5,778
7	Baby Shampoo 32 oz	4,992	1.11	5,541
8	Alcohol 16 oz	7,488	0.55	4,118
9	Vitamin E 400 IU 100 Count	1,414	2.83	4,002
10	Balsam and Protein Condition 32 oz	3,948	0.99	3,909
11	Baby Powder 24 oz	3,444	1.08	3,720
12	Vitamin C 500mg 100 Count	2,574	1.38	3,552
13	Blades Double Edge	5,424	0.64	3,471
14	Dandruff Shampoo 32 oz	3,120	1.08	3,370
15	Roll On Deodorant 3 oz	3,912	0.82	3,208

**New category for the PMA.*

H&BA figures for the calendar year 1981, supplied by Boston Distributors, a division of Cook United, Maple Heights, Ohio, cover 600 stores, including 360 discount stores in 18 states. Average retail prices listed by the distributor reflect typical price points for discount clients.

Federated's Net Up 18% For '81

CINCINNATI—Federated Department Stores reported net earnings of $258.5 million for the fiscal year ended Jan. 30, 1982, up 17.9% from $219.3 million the previous year.

Sales jumped 12.2% to $7.1 billion over the prior year's $6.3 billion.

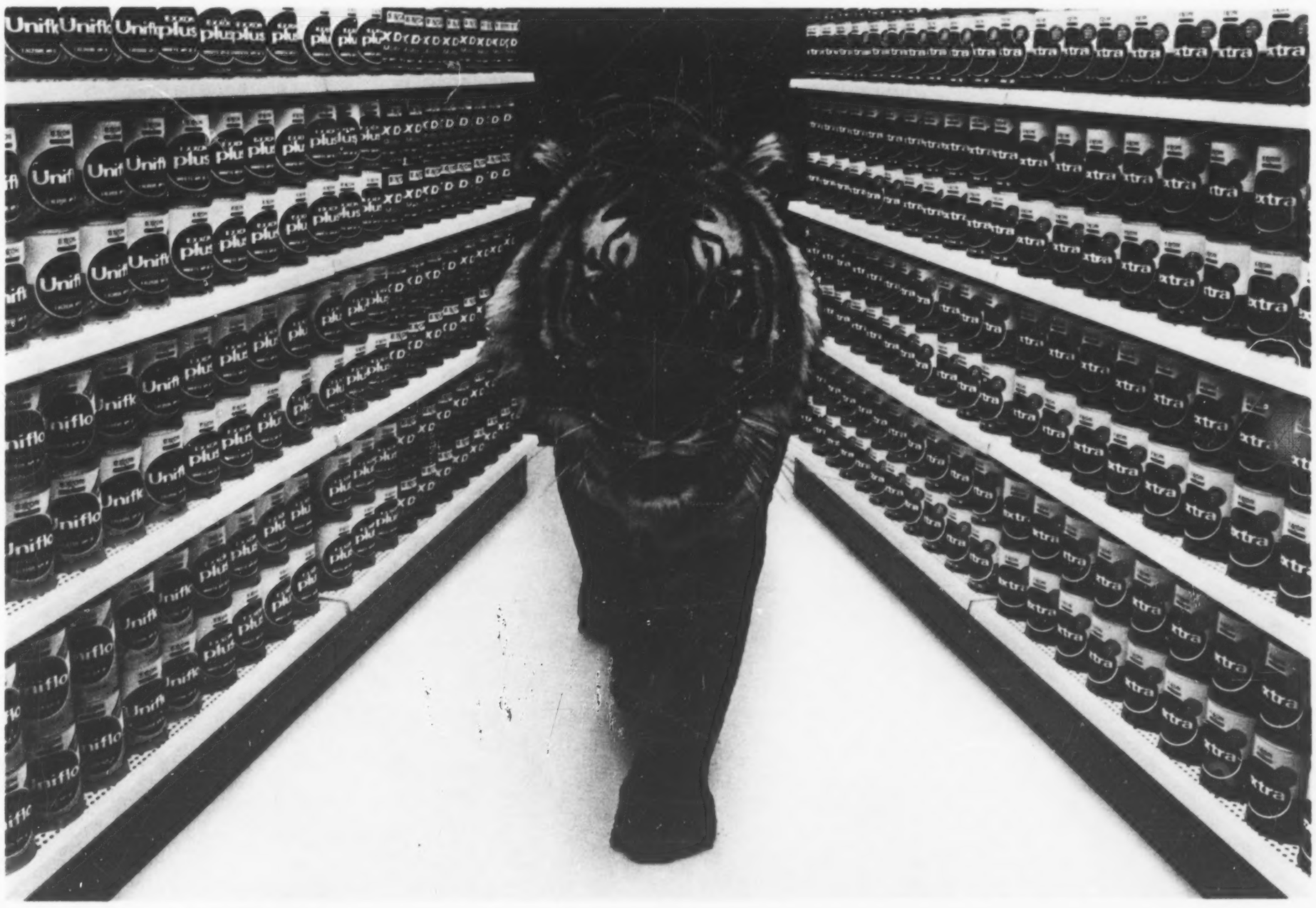
The company's Gold Circle discount store division opened a new store in Severance Center, near Cleveland, and the firm's Gold Triangle division was shuttered.

6 Targets to Crash San Antonio Area

MINNEAPOLIS—Target Stores, in spring 1983, will open six stores in San Antonio, a new market for the chain.

O. C. Adams, executive vice president of store operations, said four of the units will be 100,000 sq. ft. The other two will be 80,000 and 70,000.

Target's move into San Antonio will significantly increase its penetration of Texas. In March the chain opened a store in Beaumont, another new market for Target. Another March opening in Houston brought the discounter's total store count in that city's area to 14.



We mean business.

Make way for the motor oils that move. The Exxon team of five quality motor oils has been developed to answer all of your customers' needs.

Look to us as one source that will satisfy every segment of the do-it-yourself market. Our line leads off with four fuel-saving motor oils: super-premium Uniflo® 10W-40 and premium Exxon Extra™ 10W-40 for gasoline engines; XD-3™, our heavy duty 30 grade, and Exxon Extra 10W-30 for gasoline and diesel engines. Our economy-priced single grade oil, Exxon Plus™, completes the line.

Our total program of support for wholesale distributors and qualified mass merchandisers includes free goods, generous new product and co-op advertising allowances, and highly effective modular display racks. Our strong advertising program builds consumer awareness and increases demand for Exxon products.

To get the motor oils that mean business; contact your Exxon Sales Representative or the Project Manager/Mass Merchandising, Exxon Company, U.S.A., P.O. Box 2180, Houston, Texas 77001. Phone (713) 656-5118.

EXXON

HARDWARE

PRODUCT MOVEMENT AUDIT

Plumbing, Paint, Electrical Areas Seen Promising

Hardware buyers for Stem Distributing, Maple Heights, Ohio, expect sales to rebound in 1982 as many of the distributor's customers replenish their depleted inventories.

Particularly strong showings are expected from the electrical, plumbing and paint categories, all of which enjoyed prosperous 1981 sales.

A sluggish economy during most of 1981 took its toll at the retail and wholesale levels, according to the distributor.

Throughout 1981 all segments of the hardware industry worked to squeeze extra volume from a tough retail environment. As a result, both the distributor and its customers increased promotional efforts.

Vendors, too, sported monthly and seasonal specials, and also held in-store road shows to keep up business.

All year round, buyers played inventories close to the vest.

An unusually wet spring hurt seasonal sales and even when the weather broke many buyers resisted building inventories because it was too much of a risk that late in the season.

By midyear, sales were running about 15% behind 1980's first-half sales.

To build business, Stem put together a flyer for one of its customers for the first time, supplying it with all of the goods advertised. The flyer, a 12-page, newspaper-distributed insert, contained roughly 150 sku's—"a good mix of automotives, hardware, plumbing, electrical and sporting goods items," according to one Stem buyer.

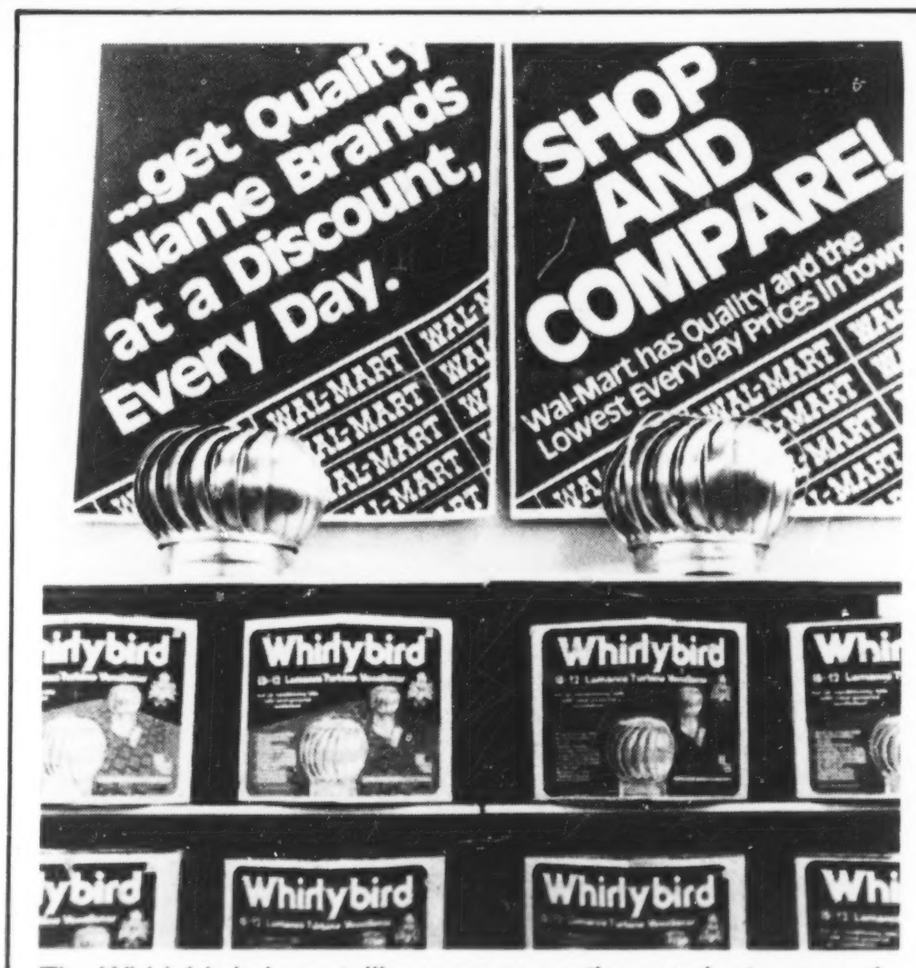
Last year, in lawn and garden, "many of our retail customers stopped ordering in May, which hurt us. The season gets under way in late March and April, so the lack of May orders indicated stock levels remained too high for our customers to reorder," explained Steve Plecko, Stem's hardware buyer.

However, ironically, sales

(Continued on page 67)

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
GENERAL HARDWARE					
1	1	LW5 Yale entrance lckst bxd	21,612	11.49	248,321.88
2	2	LW1 Yale entrance lckst bxd	15,358	11.49	176,463.42
3	3	1500D Master padlock comb	52,546	2.73	143,450.58
4	4	105AL-C SE Stormking door closer	17,102	5.17	79,404.40
5	6	SK85 Sec adjstbl door closer	9,080	4.34	39,407.20
6	—	SK15 Sec storm dr ltch w/o lock	7,595	5.01	38,050.95
7	9	V3211A US3 Yale single deadbolt	2,641	14.16	37,396.56
8	12	500D Master padlock warded	16,760	2.11	35,363.60
9	8	SK600 Security knob latch clos	6,485	5.09	33,008.65
10	7	V80 Yale tumbler-spring catch	3,526	8.71	30,711.46
11	—	V3221A US Yale deadbolt	1,385	20.79	28,794.15
12	10	SK950 SEC pushbutton latch set	4,960	5.73	28,420.80
13	13	SK 125 SEC adjust hyd door clos	4,624	6.06	28,121.44
14	14	F800CG Taylor night latch	5,585	4.93	27,534.05
15	—	V3221A-5 Yale boltlok bdl cylinder	1,133	24.07	27,271.31
BLACK AND DECKER					
1	2	7308 7¼ Circular saw	12,264	33.08	405,693.12
2	1	7127 ⅜ Drill VSR	13,488	24.71	333,288.48
3	3	79-003 Workmate single htg	4,568	53.14	242,743.52
4	8	9330 Dustbuster	7,996	30.35	242,678.60
5	4	7404 Sander dbl/ins	6,492	24.43	158,599.56
6	5	7504 Jig Saw dbl/ins	10,256	15.46	158,557.76
7	10	7190 ⅜ Drill VSR-lock	3,680	34.41	126,628.80
8	7	7104 ⅜ Drill dbl/ins	6,626	18.01	119,334.71
9	11	79-009 Workmate 27-in dual htg	1,389	85.25	118,412.25
10	13	7004 ¼ Drill dbl/ins	8,327	13.89	115,662.03
11	15	79-020 Bench Top Workmate	2,515	39.73	99,920.95
12	—	7580 Jig saw variable speed	2,956	29.91	88,413.96
13	9	7300 5½ Circular saw	2,879	29.70	85,506.30
14	—	7436 Sander dual act ⅓ sht	2,218	35.80	79,404.40
15	14	7600 Router ⅝ hp ball bearing	2,199	32.86	72,259.14

(Continued on page 67)


...get Quality Name Brands at a Discount, Every Day.
SHOP AND COMPARE!
Wal-Mart has Quality and the Lowest Everyday Prices in town
WAL-MART
Whirlybird

The Whirlybird air vent, like numerous other products, served as a floor-to-ceiling wall display in Wal-Mart, Rogers, Ark. These wall displays help get more product out on the selling floor. *(DSN photo)*

Danners Has 21% Sales Rise in '81

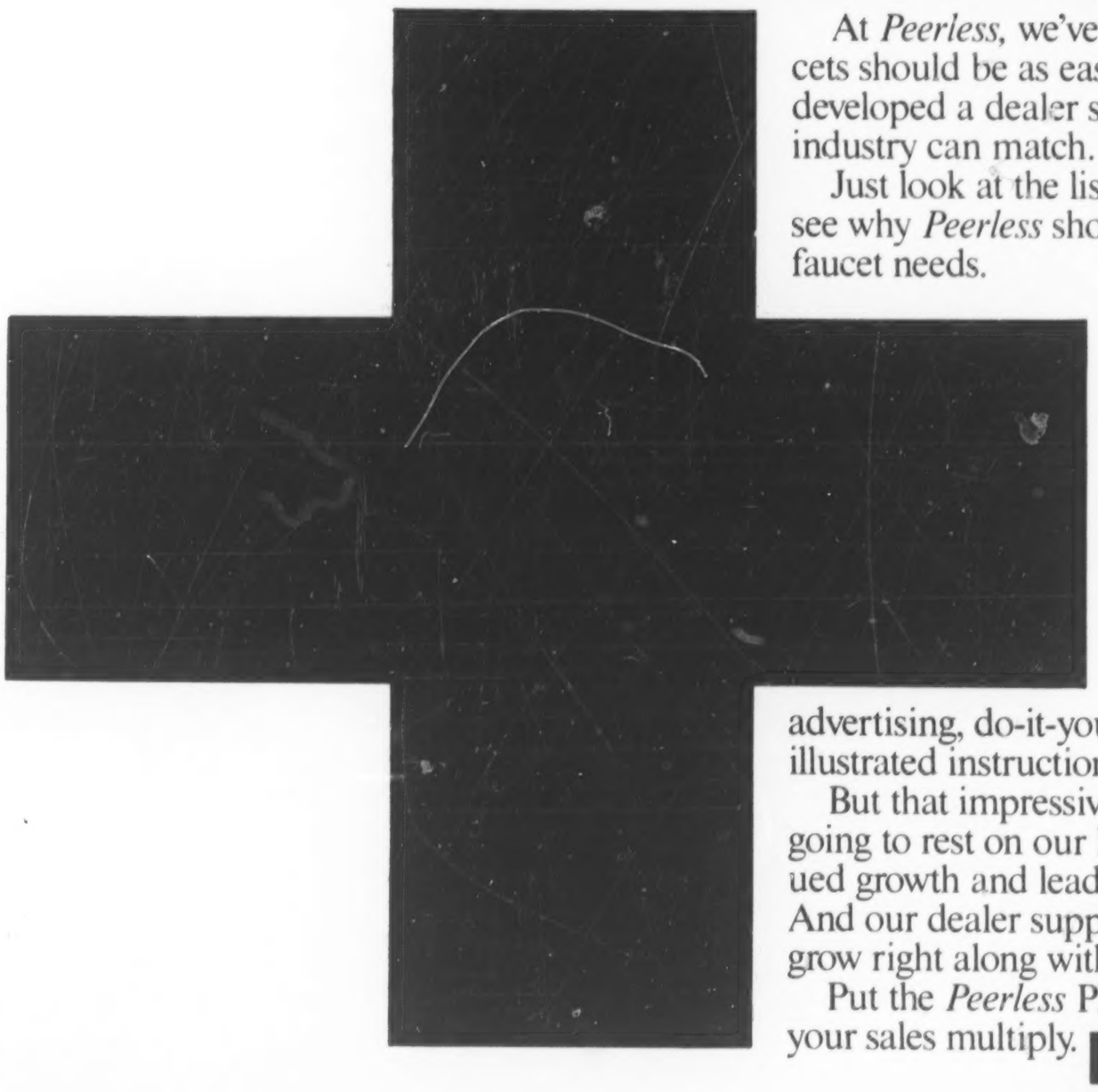
INDIANAPOLIS—Danners' unaudited sales for its fiscal year ended Jan. 30, 1982, rose 21.3% to $143.4 million, compared to $118.3 million the previous year.

For the fourth quarter of the most recent fiscal year, sales increased by $8.7 million from the year before, or 21.9%.

Danners opened five new 3D discount stores during the fiscal year, including one in Scottsburg, Ind., and four in Michigan: Lapeer, Midland, Owosso and Port Huron.

MULTIPLY YOUR PEERLESS® PLUS

PEERLESS OFFERS THE MOST EXTENSIVE LINE



At *Peerless*, we've always believed that selling our faucets should be as easy as installing them. That's why we've developed a dealer support program no one in the industry can match.

Just look at the list of pluses we offer and you'll quickly see why *Peerless* should be the one source for all your faucet needs.

We give you effective merchandising and advertising support, plus product innovation, to help you move more product off the shelf.

And when it comes to innovation, being first comes naturally to *Peerless*. Since we introduced the washerless faucet to the do-it-yourself market, we've gone on to be first with No Tools hookup and flexible copper tubing, plus TV advertising, do-it-yourself point-of-sale films and displays, illustrated instructions, and full color packaging.

But that impressive list of "firsts" doesn't mean we're going to rest on our laurels. Our commitment is to continued growth and leadership in the do-it-yourself industry. And our dealer support program is designed so you can grow right along with us.

Put the *Peerless* Plus Factor to work for you and watch your sales multiply.

PEERLESS FAUCET

PEERLESS FAUCET CO.
A DIVISION OF MASCO CORP. OF INDIANA
55 E. 111 ST., BOX 40980,
INDIANAPOLIS, INDIANA 46280

HARDWARE

8th Annual PMA

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
		(Continued from page 66)			
		PAINT SUNDRIES			
1	1	40011 WD-40 rust prvntv 9 oz	114,564	2.00	229,128.00
2	2	LN601S Macco lqd nail adhesive	98,133	1.39	136,404.87
3	—	101-01-gal Thompson wtr seal	7,056	11.54	81,426.24
4	—	025 Touch-n-Foam insltn spray	13,992	5.43	75,976.56
5	3	938-Tap-90 EZ 3-pc pnt st	29,036	2.60	75,493.60
6	4	40015 WD40 mult-use lub	3,168	2.48	54,130.96
7	8	01103 Savo pt/rmvr paste strypee	5,232	10.33	54,046.56
8	5	200BX Krazy Glue 0.07 oz	49,398	1.09	53,843.82
9	—	01102 Pt/rmvr paste strypee	12,744	3.44	43,839.36
10	13	E701 Borden crpntr WD glue 8 oz	27,504	1.57	43,181.28
11	6	LC130 White Macco acrylc ltx clk	22,680	1.79	40,597.20
12	—	500-092-90 EZ 9-in rllr frm	17,508	2.20	38,517.60
13	10	GE 2561/372 white tub seal 3 oz	16,302	2.31	37,657.62
14	—	201-Wht Easy Clkr fm caulk	11,280	3.32	37,449.60
15	15	1304S/G104-AO-73 EZ 4-pc brsh st	19,512	1.85	36,097.20
		PAINT			
1	1	0013 Formby 32-oz frntr rfnshr	7,152	8.54	61,078.08
2	2	1501 Borden krylon gloss white	12,456	2.43	30,268.08
3	12	0010 Formby 16-oz frntr rfnshr	5,472	4.60	25,171.20
4	4	1601 Borden krylon glss blk 13 oz	9,384	2.43	22,803.12
5	—	100 Waterlox trnsprnt gal	1,728	12.54	21,669.12
6	9	NTTC NY bronze chrome spray pt	9,599	1.94	18,622.06
7	5	2766/7792 13 oz Rust glss white	6,648	2.75	18,282.00
8	13	634/7779 13 oz Rust glss black	6,600	2.75	18,150.00
9	7	1613 Borden krylon semiflat blck	7,140	2.43	17,350.20
10	11	88 Defthane CLR plyrthn glss gal	904	17.60	15,910.40
11	3	0032 Formby Intrc To Rfnshng	1,404	10.57	14,840.28
12	—	0015 Formby 8-oz lemon oil	7,188	2.04	14,663.52
13	—	89 Defthane CLR pirthn gloss	2,448	5.97	14,614.56
14	—	62 Delt clear semigloss	2,706	5.36	14,504.16
15	—	0014 Formby gal frntr rfnshr	552	25.62	14,142.24

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
		POWER TOOLS			
1	1	943 Wen 7-in sander plshr	1,862	48.78	90,828.36
2	15	574 Skil 7¼ 13/4 hp crclr saw	1,700	43.09	73,253.00
3	—	W-280 Wagner power painter	659	98.44	64,871.96
4	3	919/PR19 Wen 3-in belt sander	949	48.78	46,292.22
5	—	584 Skil var/rev ⅜ drill	1,268	32.24	40,880.32
6	—	490 Skil st/line/orbital sndr	651	55.13	35,889.63
7	6	T6601-16 McGraw Ed 6-in bench grnd	903	36.05	32,553.15
8	—	2200 Wen drill crdlss rev ⅜	595	44.33	26,376.35
9	—	487 Skil jig saw 2-speed	661	39.51	26,116.11
10	12	16/L25 Lenk 25W sldrng iron	4,159	5.84	24,288.56
11	7	T6741-16 McGraw Ed ⅜ drill press	296	69.29	20,509.84
12	—	2501 Dremel moto kit/25 acces gl	445	43.36	19,295.20
13	—	396 Var/Amer RTR/jig saw table	793	24.26	19,238.18
14	—	8651 3-M dust mask	8,681	2.14	18,577.34
15	8	2000 Wen 10-in elctrc chain saw	344	50.55	17,389.20
		HOME IMPROVEMENT			
1	1	G2420 Grbg bg HD 26-gal/20cn	49,632	2.54	126,065.28
2	3	6-ft Wood stepladder special	2,162	26.50	57,293.00
3	—	100 Bede dryer vent heat saver	10,500	5.08	53,340.00
4	—	310 Blk Natco rub mttng 36x105	175	250.57	43,849.75
5	—	8x50 Poly sheeting 4-mil clear	4,136	9.20	38,051.20
6	—	36-in/736 Screen wire aluminum 7 ft	8,420	4.29	36,121.80
7	—	6x50 Poly sheeting 4-mil clear	5,064	7.05	35,701.20
8	15	40302-36-1 Peer chain PRF-¼-100	259	135.11	34,993.49
9	—	453 Bede water heater blanket R-6	2,960	11.83	35,016.80
10	—	10x25 Poly sheeting 4-mil clear	6,639	5.12	33,991.68
11	5	2-ft x 4-ft x ⅛ Pegboard	24,916	1.26	31,394.16
12	—	32x42 Plaskolite 0.100 clear plstc	2,624	11.49	30,149.76
13	13	28x32 Plaskolite 0.100 clear plstc	3,860	7.74	29,876.40
14	—	30x60 Plaskolite 0.100 clear plstc	1,901	15.61	29,674.61
15	—	30x36 Plaskolite 0.100 clear plstc	3,110	9.34	29,047.40

(Continued on page 68)

PMA

PRODUCT MOVEMENT AUDIT

Promising Areas

(Continued from page 66)

were strong in hoses.

"We had a lot of rain last year, so the last thing you'd have expected to sell well were garden hoses, but for some reason they moved well," Plecko said.

The buyer said it was still too early to predict this year's results, but so far, sales in the category were slow.

A year ago, sales were off in many categories, including hand tools, where category-wide price increases took their toll.

Price hikes were 12% to 15% at wholesale, or about a $1.50 jump in the wholesale ticket of an item. By the time the tool reached the store, the price had increased $3 to $4. This turned many customers away from buying well-known labels and toward off-label, lower-priced tools.

For the year, the Toro trimmers/weeder moved up from the runner-up spot in 1980 to be the top dollar mover. The item represented sales at the retail level of $129,526.01, up from the prior year's $113,891.31

Second place this time around went to Bag-A-Bug Beetle Trap with a unit movement of 13,339 and an average retail ticket of $7.98. The item didn't appear on 1980's listing of top dollar movers.

(Continued on page 68)

Gen. Mdse. Stores Up Newspaper Ad Payout 2% in '81

NEW YORK—Major general merchandise stores, a category including K mart, Woolco and Zayre, increased newspaper advertising expenditures from 1980 levels by 2.1% in 1981, according to the Newspaper Bureau of Advertising.

The increase in newspaper dollars spent was one of the smallest among retail categories—department stores increased by 10.1%, apparel and accessory stores grew by 12.8% and shoe stores' advertising was up 20.4% for the year. Newspaper ad dollars spent by variety stores were up 5.4%.

Total retail advertising expenditures, according to the NAB, hit $9.6 billion in newspapers for 1981, a 12.4% increase from 1980. Major general merchandise stores accounted for $596.2 million, while department stores spent $2.1 billion in the year. Variety stores spent $38.7 million.

Newspaper advertising from auto supply stores, tire stores and service stations jumped 14.8%, accounting for $279.6 million.

Val Corradi, vp-automotive at the NAB, said: "The auto aftermarket has become more significant. People are keeping their cars longer and taking better care of them. The stores who sell to this DIY segment of

(Continued on page 68)

SALES BY THE FACTOR.

OF WASHERLESS DO-IT-YOURSELF FAUCETS.

PLUS Good, Better, Best and Designer displays

PLUS No Tools hookup

PLUS Washerless construction

PLUS Full color retail packaging

PLUS Easy installation aids (CLINCHERS™ AND SUPER SUPPLIES™)

PLUS Complete parts program and Plan-O-Grams

PLUS Point-of-sale films

PLUS Co-op advertising program

PLUS National consumer print advertising

PLUS TV advertising

PLUS 5 or 10-year limited warranties

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HARDWARE

K mart, Lodi, N.J., is tagging its private label latex enamel paint at $13.96, almost $1 more than the shelf price put on Lucite's white interior enamel, retailing at $12.99. *(DSN photo)*

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
		(Continued from page 67)			
		LAWN & GARDEN			
1	2	51225 Toro trimmer/weeder 900	4,953	28.17	139,526.01
2	—	1-6901 Bag-A-Bug beetle trap	13,339	7.98	106,445.22
3	—	500/501-50 Colorite vinyl hose	31,630	3.26	103,113.80
4	—	615 K/S Line trimmer ½ hp electric	2,018	28.21	77,107.78
5	—	51325 Toro trimmer/weeder 1100	1,239	61.63	76,359.57
6	—	575875 Signet hose ⅝ radial Z-7	5,967	12.51	74,647.17
7	—	1020 Diston G/shear cdles w/power	2,689	26.22	70,505.58
8	—	XR1150 Elec prod bug killer ½ acre	872	79.87	69,646.64
9	—	SLR Tempr round point shovel	8,910	6.67	59,429.70
10	3	58-P Keller leaf/lawn rakes-221	21,840	2.64	57,657.60
11	—	1001 Hitco spintiller two-tone	3,390	15.85	53,731.50
12	11	SB14 Temper bow rake	7,772	6.74	52,383.28
13	—	1511-50 Color ½ vinyl/tire-cord	8,365	6.10	51,026.50
14	—	61 Melnor rain osc sprinkler	9,228	5.48	50,569.44
15	5	SL22 Temper springback leaf rake	6,193	7.86	48,676.98
		TOOLS			
1	2	T50 Arrow staple gun chrome	10,048	16.15	162,275.20
2	1	TX9 Bernz fuel cyl	58,189	2.69	156,528.41
3	3	UL100 Bernz propane blow torch	12,210	10.00	122,100.00
4	10	OX-2500 Bernz tote torch kit	3,033	36.77	111,523.41
5	9	PL425 Stanley tape 25-ft powerlock	8,393	11.76	98,701.68
6	—	82[illegible]0PK Weller 100/140W soldergun	4,403	21.43	94,356.29
7	7	PL316 Stanley 16-ft powerlock tape	7,179	10.03	72,005.37
8	—	K110 USM Multihead rivet tool	8,081	7.86	63,516.66
9	15	PL12 Stanley 12-ft powerlock tape	8,608	6.37	54,832.96
10	—	32001 Swingline elec nailgun	1,212	42.28	51,243.36
11	13	99 Stanley utility knife	16,541	3.03	50,119.23
12	6	JT25 Bernz torch kit plastic box	2,345	21.41	49,573.30
13	—	OX-9 Bernz oxygen cylinder	8,438	5.80	48,940.40
14	11	PL320 Stanley 20-ft powerlock tape	4,518	10.73	48,478.14
15	—	JT21 Arrow staple gun	5,251	9.08	47,679.08

(Continued on page 70)

PMA®

PRODUCT MOVEMENT AUDIT

Promising Areas

(Continued from page 67)

In paints, the strength of the category was mostly in wood stain and brush paint items. Spray paints, especially those in the epoxy, chrome and gold finishes, also performed well. The category did "very well" in 1981, according to buyer Walt Krekel, registering a 9% increase over 1980's figures.

This year, the buyer bolstered his mix, adding the complete Du Pont line to his selection. This "will benefit many of our customers because they'll be able to buy as little as a case, cutting down on overstocks," Krekel said, noting that on direct-from-the-manufacturer buys, quantity orders are much higher.

For the second year in a row, Formby's 32-oz. furniture refinisher was the category's top mover, representing $61,078.08 worth of sales at the retail level, a slight increase over the $56,759.04 tallied in 1980. The manufacturer's 16-oz. entry in the wood refinishing market also made a strong showing, placing third. The item placed 12th in the previous PMA.

Krekel was less optimistic about the home improvement category. With major discounters such as Woolco, Jefferson/Ward, Wal-Mart and T.G. & Y. discontinuing their home improvement departments in recent years, the distributor also found category sales disappointing.

"We just barely broke even in 1981, and I'm not sure 1982 will be a vast improvement," said

(Continued on page 70)

Gen. Mdse. Stores

(Continued from page 67)

the market are becoming more competitive."

The automotive specialty retailers accounted for 2.9% of total retail advertising in newspapers.

Among other specialty stores, apparel and accessory stores spent $444 million for newspaper ads, shoe stores paid $75.1 million, jewelry stores accounted for $145.3 million and gift, novelty and souvenir stores spent $16.2 million.

Gift, novelty and souvenir stores increased ad dollars 11.7%, and jewelry stores increased expenditures by 14.6%.

Women's and girls' advertising was the greatest part of apparel and accessory advertising, amounting to $216.4 million. Men's and boys' advertisements hit $101 million.

General merchandise and apparel stores together reached a total of $3.7 billion in newspaper ads in 1981.

In apparel subcategories, women's and girls' advertising was up 13.7%, men's and boys' increased 14.8% and family/infants gained 9.9%. Lumped together, general merchandise and apparel stores increased 9% in newspaper advertising over 1980.

More people ask for Weldit All Purpose Cement than any other brand.* And now, Hermetite Products offers Weldit All Purpose Cement, plus a wide range of popular adhesive products for the home.

When you go with Hermetite, you're sure to have what your customers want. From tough, dependable adhesives for hundreds of household repairs to safe, easy-to-use glues for the hobbyist.

Hermetite's bright, bold packaging attracts attention. And the easy-to-understand instructions with simple, full-color illustrations help your do-it-yourself customers select the right Hermetite Adhesive with confidence.

Hermetite Products, with over 60 years of experience developing, manufacturing and marketing quality adhesives, is proud to bring you Weldit All Purpose Cement—the sales leader for over 25 years.

Put the proven sales leader in your profit picture. One call to your Hermetite sales representative can line you up with the one line that will fill all your adhesive needs. And put greater profits in your pocket.

Hermetite

Contact:
HERMETITE PRODUCTS, INC.
6500 Glenway Avenue
Cincinnati, Ohio 45211
1-800-543-3016
In Ohio 1-513-661-8211

*(Product Movement Audit, August 1981)

HARDWARE

PRODUCT MOVEMENT AUDIT

Promising Areas

(Continued from page 68)

Krekel. One of the lines the buyer is pinning his hopes on is roll plastics for window insulating, a "real hot item" in 1981. Another is a line of artificial grass in three colors.

The distributor ran ads promoting the new line this spring and the response so far "has been favorable," according to Krekel. The item retails for about a $1.53 per foot.

Poly and plastic sheeting were the most visible product lines on the chart, accounting for nearly half of the top 15 places in home improvement. The continued success of the items is rooted in the need for home insulation products that can reduce heating costs.

Plumbing and electrical items fared extremely well in 1981, according to buyer Wayne Dixon.

In the electrical category, sales were strong year-round in this mostly basic business.

A perfect example, Dixon noted, was the result of the category's top dollar mover, the Romex 12/2 250-ft. extension cord with guard. "The item sold very well throughout the year. It did a steady business rather than spurting at a particular time."

Keeping Pace

Dixon added that most electrical items sold well despite the lack of new housing starts in the area which Stem covers. Many of the 7,029 Romex units were sold throughout the year to sophisticated DIYers who needed the cords to complete work on extra rooms added to houses and for garage maintenance and other home-related repairs or remodeling. The Romex cord showed a total dollar movement of $234,557.73.

As for plumbing, Dixon said sales were "excellent, better than expected," a prime reason being the severe winter weather that had enveloped much of the Midwest.

Water heaters sold extremely well due to constant breakdowns caused by an overbearing demand for hot water on 1981's coldest days. Consumer demand for new units pushed the NSRT 40-gal. heater to 12th place on the audit with a total dollar movement of $33,701.90. It didn't place among the top movers in 1980.

In power tools, Black & Decker's sales increased, in part because the distributor cut back on its other power tool resources.

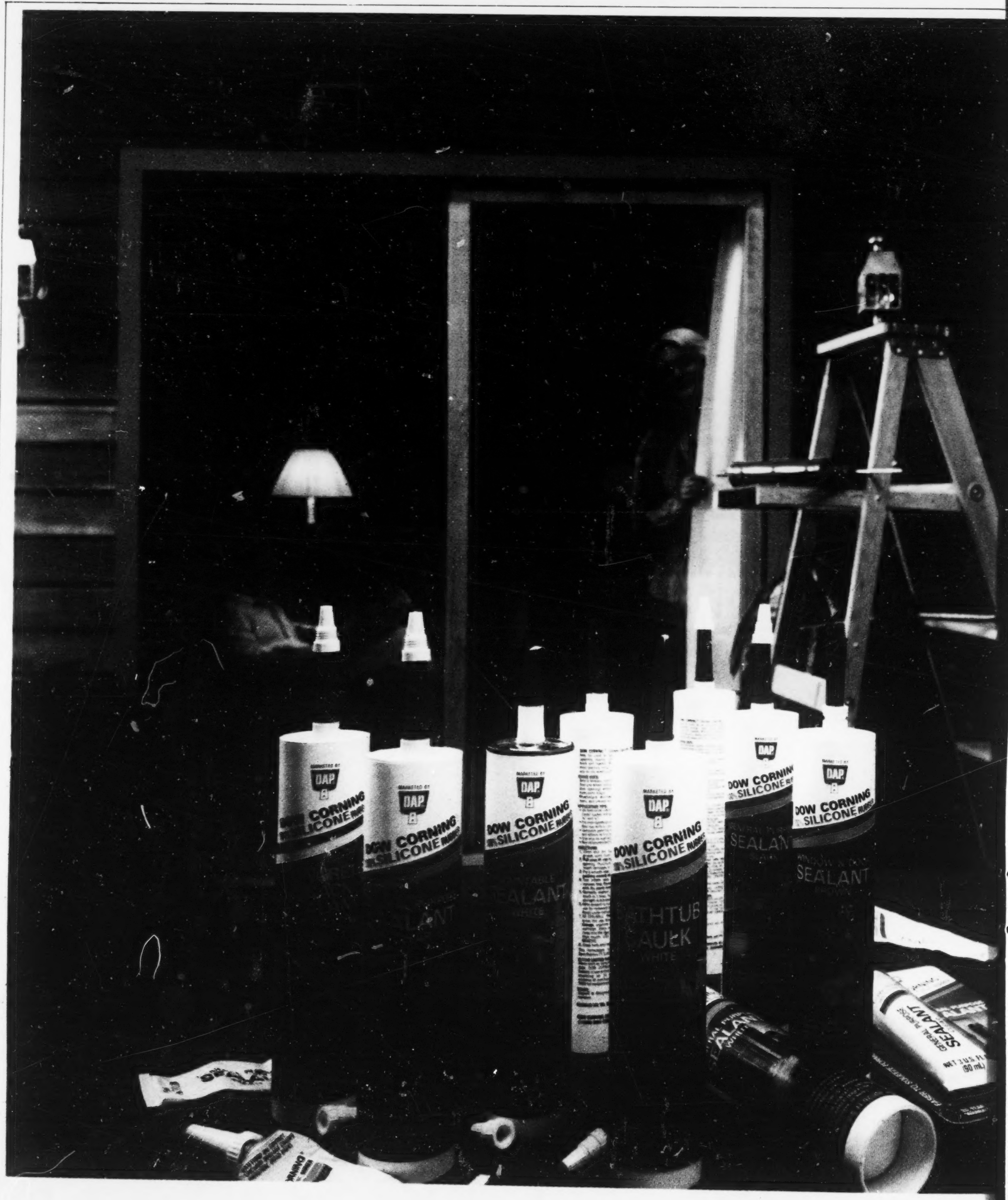
Overall prices increased 12% last year, as Black & Decker passed along its own cost increases.

In other power tools, Stem trimmed sku's, consistent with its total plan narrowed assortments, to improve its own turns. In the future, the distributor will probably go with one or two national vendors instead of the present three. Dollars in the category do not justify the breadth of lines Stem now carries, one buyer noted.

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
(Continued from page 68)					
ELECTRIC					
1	—	12/2 Romex w/grd 250-ft per box	7,029	33.37	234,557.73
2	1	SL-1K Flor shop lit comp 40W-48-in	10,563	16.15	170,592.45
3	—	CFL22 Con-Serv fluor light screw-in	10,034	9.93	99,637.62
4	—	50-ft 12/2 Romex w/ground boxed	9,805	9.88	96,873.40
5	2	DR600RS Lutron UL rotary dimmer	20,719	4.35	90,127.65
6	5	U100 Aliance tena-rotor automt	1,293	61.66	79,726.38
7	—	½ Conduit 10-ft	36,214	2.03	73,514.42
8	—	34256 Norelco mercury vapor light	1,482	47.05	69,728.10
9	3	AP15X Flor U/cab fix w/c outlet	7,984	7.07	56,446.88
10	11	3354 50-ft 16/3 Rd ext cord outdoor	4,529	8.08	36,594.32
11	—	12/2 UF w/grd 250-ft per box	799	45.72	36,530.28
12	—	3302/46799 100-ft 16/3 Rd ex cord	2,505	13.67	34,229.68
PLUMBING					
1	—	½ M Hard copper 10-ft	62,070	3.46	214,762.20
2	—	ST5 40 NSFR 40-gal gas heater 5 year	930	155.75	144,847.50
3	—	Mark II B grade toilet comb wht	2,316	54.89	127,125.24
4	1	88TM Wht Al Amer wood toilet seat	11,093	7.08	78,538.44
5	—	½ CPVC pipe 10-ft	35,267	2.22	78,292.74
6	2	560 U-Plm toilet tank repair kit	13,201	5.33	70,361.33
7	—	920 Wheeling 20-gal sheet can	6,410	9.04	57,946.40
8	6	PM3600 Flo plastic pump-pedestal	732	75.44	55,222.08
9	—	ST5 30 NSRT 30-gal gas heater 5 year	254	147.83	37,548.82
10	3	PC3600 Flo cast iron pump-pedestal	439	82.83	36,362.37
11	—	NE 3322 Neptune 22x33SS sink	875	39.10	34,212.50
12	—	ST5 40 2SRT 40-gal elec water heater	230	146.53	33,701.90

These hardware figures, for the calendar year 1981, were supplied by Stem Distributing, a division of Cook United, Maple Heights, Ohio. The firm services 600 stores, including 480 discount stores, in 35 states. Average retail prices reflect typical price points for discount clients.

Caldor, Framingham, Mass., took advantage of the spurred interest in home fire detection and protection devices with this backwall mass-display unit topped with Kidde fire extinguishers. *(DSN photo)*



CONSUMER ELECTRONICS

8th Annual PMA

1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	VIDEO GAMES, CARTRIDGES			
1	Atari CX2600 video computer syst	34,831	136.33	4,748,510.20
2	Atari CX2649 Asteroids	32,717	23.89	781,609.13
3	Atari CX2632 Space Invaders	28,387	19.61	556,669.07
4	Atari CX2638 Missile Command	22,857	19.69	450,054.33
5	Mattel 2609 Intellivision	1,883	222.60	419,155.80
6	Atari Pro 600 glf, bsktbll, hm rn	5,794	29.93	173,414.42
7	Activision AG008 Laser Blast	10,217	14.29	146,000.93
8	Atari Pro 500 st rcr, bwlng, air sea	4,740	29.93	141,868.20
9	Atari CX2622 Breakout	8,644	14.94	129,141.36
10	Activision AG005 skiing	8,548	14.20	121,381.60
11	Activision AG002 boxing	8,226	14.20	116,809.20
12	Activision AG007 tennis	7,029	14.24	100,092.20
13	Activision AG001 dragster	6,800	14.24	96,832.00
14	Atari CX2648 video pinball	4,802	19.69	94,551.38
15	Atari CX2613 Adventure	4,650	19.69	91,558.50
	RADIOS/TV's/CALCULATORS			
1	Sharp 19E 73/19F72/19-in clr TV	1,935	289.80	560,763.00
2	Sharp EL220/211 LCD 8 digit	9,583	7.27	69,668.41
3	Mura HI-3 AM/FM radio w/hd set	1,762	36.75	64,753.50
4	Sharp EL1071S printer w/mem	1,104	49.21	54,327.84
5	Sharp 13E21/13F22/13-in clr TV	203	250.00	50,750.00
6	Sharp EL323/315S key mem LCD	6,025	8.21	49,465.25
7	Sharp VC7400 video csstt rec	74	614.04	45,438.96
8	Sharp 3K82/12-in B&W TV	509	77.00	39,193.00
9	Sharp EL824 credit card calc	3,880	9.99	38,761.20
10	Sharp EL325/326 solar calc	3,261	11.72	38,218.92
11	Sharp EL506 3-key mem 8 dig	1,655	18.53	30,667.15
12	Sharp EL1188 hand-held prnt/dsply	712	36.72	26,144.64
13	Sharp EL1182 printer w/display	342	59.05	20,195.10
14	NS105 thin 8-digit LCD calc	1,500	11.38	17,070.00
15	NS99 LCD 8-digit case/bat	1,830	7.25	13,267.50

(Continued on page 72)

Chains like Zayre, here in Hialeah, Fla., still find best movement in 19-in. color and 12-in. black and white televisions. But small screen sets with and without radios are big warm weather sellers. *(DSN photo)*

PMA®

PRODUCT MOVEMENT AUDIT

More Hot Sales Seen For Home Entertainment

The sluggish economy is helping to build consumer electronics sales.

"In a bad economy, consumers look for more home entertainment," commented Helen Henley, consumer electronics buyer of Myron Nickman distributors, a division of Cook United, Maple Heights, Ohio. She attributed the firm's 60% increase in consumer electronics business in 1981 largely to increased sales of home entertainment items, especially video categories.

"It's a very strong market for video and I think we'll see substantial growth in the category in 1982," Henley said, "with video continuing to become bigger than audio."

Unlike some categories where consumers are shy about spending big dollars, home entertainment is an area where quality considerations exceed price consciousness. "Consumers are looking for better quality products for the whole family to enjoy. They want products that last a long time and units they can build onto in the future."

Promising Area

Thus the success of video games, a category whose sales in discount stores outpaced sales of most other consumer electronics categories.

As evidenced in Myron Nickman's Product Movement Audit figures for 1981, Atari's game system and cartridges were top movers. Eight Atari games showed up in the top 15 list.

Mattel ranked second in video game hardware with its Intellivision, but moved substantially fewer units. Activision placed five game cartridges in the top 15 list.

Henley believes Mattel, as well as other new video game and cartridge makers, will make substantial headway in the market share game this year.

"Intellivision is around to stay," said the buyer. "It's second behind Atari, but it's still a very viable company."

Mattel's game cartridges—Space Battle, Armor Battle, Major League Baseball, PGA Golf—although not ranked in the top 15 list, were good volume movers for Nickman.

"Game cartridge sales figures can be very misleading," said Henley, "especially because you have late introductions that don't show up."

She compares the game cartridge business to the record industry. "In most cases the new games hit the top 10 and stay there maybe six to nine months, then they become ordinary sellers."

Asteroids, Atari's new entry last year, earned top billing on the charts; this year, Atari's

(Continued on page 72)

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Everything about Dow Corning® 100% Silicone Rubber Caulks and Sealants is easier. Including the way they sell.

An extended, 20-year warranty and an improved, easier-to-use formula head the list of features today's energy-conscious homeowner expects from Dow Corning 100% silicone rubber caulks and sealants marketed by DAP.

An extensive product line with unique, award-winning, full-color packaging makes it easier for your customers to identify and buy what they need without increasing your selling time.

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Throughout the year, DAP will be offering special trade and consumer promotions on Dow Corning's line of silicone caulks and sealants. Each consumer promotion is backed with in-store P.O.P. materials to call attention to the special offer. It all adds up to increased profit for you.

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DAP We make it easier to do it better.
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DAP We make it easier to do it better.

For more information on how to increase your caulks and sealants profits in 1982, contact your DAP representative or write Silicone Product Manager, DAP Inc., P.O. Box 277, Dayton, OH 45401.

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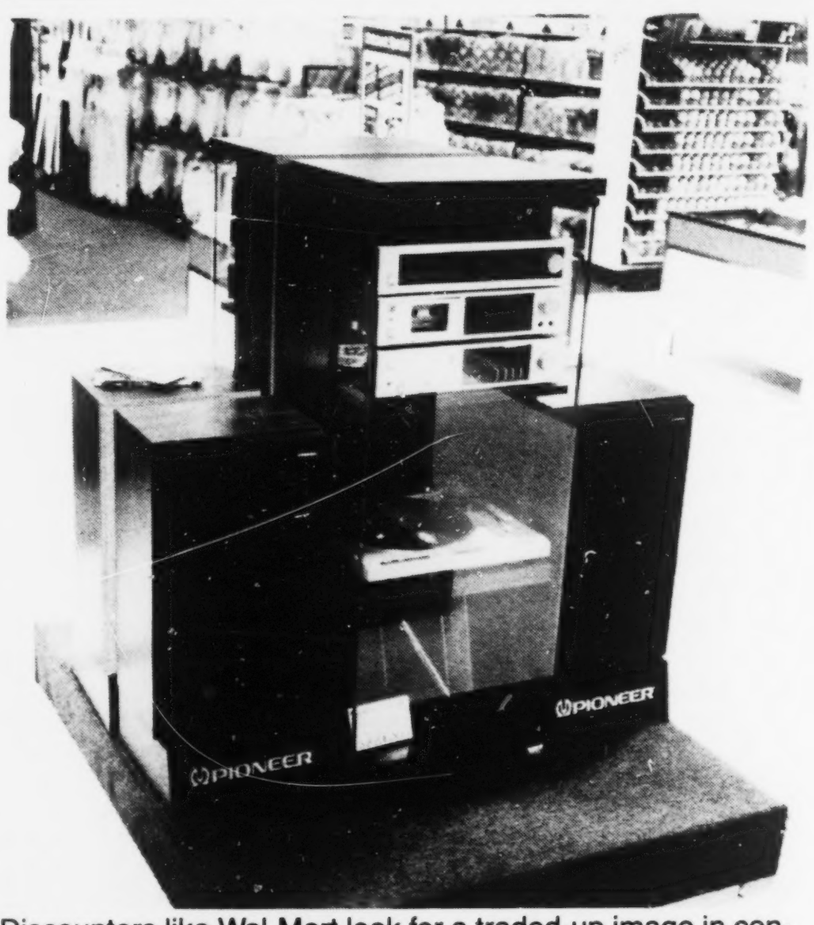
CONSUMER ELECTRONICS

8th Annual PMA



Discounters like Wal-Mart look for a traded-up image in consumer electronics with the addition of prestigious lines like Pioneer. In Fayetteville, Ark., this system is selling for $884. *(DSN photo)*

1981 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 71)			
	BATTERIES/TAPES			
1	Duracell (case) D17F 24-D/32-C/48-9/46-AA	303	211.64	64,126.92
2	Memorex 3 90-min cassette	10,320	5.87	60,578.40
3	Duracell MN140082 C alk 2 pk	28,098	2.06	57,869.52
4	Certon C 60/30 csstt/bq 360-min	67,440	0.79	53,277.60
5	Duracell MN1604B 9Volt alk 1 pk	41,064	1.24	50,919.36
6	Duracell (32 ea) D15F D/C/AA 2 pk, 9V 1 pk	319	149.56	47,709.64
7	Duracell MN1300B2 D alk 2 pk	23,868	1.26	30,073.68
8	Duracell MN1500B4 AA alk 4 pk	15,486	1.89	29,268.54
9	Certon C 90/3 cassette bag 3 90 min	15,496	1.36	21,074.56
10	Memorex 02313/04021 tape C 60	8,832	1.96	17,310.72
11	Duracell MN1500B2 AA alk 2 pk	16,944	1.02	17,282.88
12	Certon C90/3HE hi-energy csstt	6,720	2.30	15,456.00
13	TDK VAT-120 VAS 2-4-6/hr cassette	910	14.74	13,413.40
	PHONES			
1	GTE 72443 Solitary II	1,444	22.59	32,619.96
2	GTE 89421 Flip Phone II almond	772	37.01	29,034.92
3	ITT PC500 basic desk white	1,176	22.80	26,812.80
4	GTE 89422 Flip Phone II brwn	706	37.56	26,517.36
5	GTE 86422 Flip Phone brwn	703	35.15	24,710.45
6	ITT PC500 basic desk beige	775	25.08	19,437.00
7	ITT PC500 basic desk brown	730	24.62	17,972.60
8	ITT PC200 dial hndset white	501	34.91	17,489.91
9	ITT PC1301 Viva Red	504	25.78	12,993.12
10	ITT PC200 dial hndset beige	342	34.91	11,939.22
11	GTE 82119 Starlight	287	29.63	8,503.81
12	GTE 86417 Flip yellow	217	35.28	7,655.76

These consumer electronic figures for fiscal year 1981, supplied by Myron Nickman, a division of Cook United, Maple Heights, Ohio, cover 500 stores, including 300 discount stores in the Midwest. Average retail prices reflect typical price points for discount stores.

PMA®

PRODUCT MOVEMENT AUDIT

More Hot Sales

(Continued from page 71)

Pac Man is expected to move into that position.

Like the recording industry, the video game business has its "classics" that remain top sellers even after the newness wears off. One such, Atari's Space Invaders, was the second biggest selling game cartridge last year.

Also scheduled to make headway in sales in consumer electronics departments' video areas during the coming year are home computers, Henley said. "We're carrying Atari home-computer systems and planning to get into others. Everybody feels home computers are very much the future."

Video cassette recorders (VCRs) are also viewed as a growth area.

In television sales, the top mover continues to be 19-in. color sets, followed by 13-in. color sets. Little change is expected in that area.

Upswing Noted

In audio products, the PMA showed cassette tapes have come on strong. "Eight-tracks are a dying breed. More and more consumers are moving to cassettes," Henley reported. She also noted a price war taking place among cassette tape manufacturers vying for larger market shares.

Certon C 60/30 blank cassette tapes at a low 79¢ retail were the distributor's biggest unit mover, with 67,440 units sold.

In other categories, low-end LCD calculators were top movers as were lower-priced basic telephones.

But, Henley sees the trend in calculators and telephones changing. Higher-priced solar calculators are gaining ground, she said, as are higher-priced new cordless phones.

Sharp's LCD 8 Digit at $7.27 regular retail was the top calculator in 1981, with 9,583 units being sold, while Sharp's solar calculator at $11.72 ranked fifth.

GTE's Solitary II, with its low price tag of $22.59, moved 1,444 units to rank first in telephone sales. In unit movement, ITT's $22.80 basic white desk phone came in second with 1,176, followed by GTE's Flip phone II in almond, priced at $37, with 772 units.

Although cordless phones didn't show up in the top 15 telephone listing, Henley said tremendous growth is expected in that category in late 1982 and early 1983.

"The entire telephone market is becoming very strong," said Henley. "More and more customers are now aware what they are paying for rentals. Instead of paying rent, they're saying they'd rather buy their own."

READ
CLASSIFIED ADS

THE LAST FEW MONTHS MAY HAVE CREATED MORE THAN THE USUAL DEMAND FOR OUR BAR-B-Q BLACK.

It's been a long hard winter. And nobody knows it better than the 61 million American families who own barbecue grills.

Come the first nice day of spring, a lot of them are going to be out looking for the best barbecue paint they can find.

With our special prepackaged display of Rust-Oleum Bar-B-Q Black standing in your lawn and patio department, you can be ready for the 8 out of 10 customers who own a barbecue grill.

You can also take advantage of our 5% advertising allowance to bring customers in.

And since three out of four dealers in a recent survey* reported making higher profits per can with Rust-Oleum than with the other leading spray paint, you can be sure your efforts will be rewarded.

So if it's been an exceptionally bad winter in your part of the country, how fortunate for you.

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For details, see your Rust-Oleum sales representative, write us, attention "Bar-B-Q Black."

*Survey conducted among over [illegible] dealers nationwide.

SPORTING GOODS

8th Annual PMA

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
HUNTING AND AMMUNITION					
1	2	Rmngtn 22LR ammo, thndrblt TB22	73,604	2.19	161,192.76
2	8	Rmngtn dove-ld S/G shll, bx DQ12-8 ...	14,100	7.97	112,377.00
3	—	Rmngtn 12 ga rifle slugs, SP12RS-5PK .	26,038	3.80	98,944.40
4	—	Rmngtn 2¾ express shell, bx SP12	6,920	11.68	80,825.60
5	—	Remington shot shell RS12-6	9,860	7.97	78,584.20
6	—	Rmngtn 2¾ express shell SP12-71/2 ...	7,772	7.67	59,611.24
7	7	Remington shot shell DP12-6	5,880	10.00	58,880.00
8	—	Rmngtn 2¾ express shell SP20-5 bx ...	5,020	10.28	51.605.60
9	—	Rmngtn 2¾ express shell SP20-6 bx ...	4,580	10.28	47,082.40
10	—	Rmngtn 3" express shell SP4103-6 bx ..	4,300	9.65	41,495.00
11	—	Rmngtn 2¾ express shell SP12-4 bx ...	3,280	11.68	38,310.40
12	—	Rmngtn 3" express shell SP4103-7½ box	3,840	9.65	37,056.00
13	—	Remington shot shell DP20-6	3,720	9.01	33,517.20
14	—	Remington H/S 22 short 1022 box	15,100	2.21	33,371.00
15	—	Rmngtn H/S 22LR Hllw Pt 1622 bx	11,890	2.76	32,816.40
FISHING RODS, COMBOS					
1	15	Daiwa minicast kit MC2-38S	1,482	38.26	56,701.32
2	3	Zebco combo 202 reel w/2023 rod kit ...	2,718	14.11	38,350.98
3	2	Zebco combo 600 reel w/4060 rod kit ...	1,541	24.13	37,184.33
4	4	Zebco combo 404 reel w/4040 rod kit ...	1,835	18.64	34,204.40
5	5	Zebco combo 808 reel w/8965 rod kit ...	559	52.79	29,509.61
6	7	Zebco jr spincast rod/reel	2,148	12.68	27,236.64
7	1	Zebco combo 33 reel w/3366 rod kit	682	39.34	26,829.88
8	19	Oly spin combo 9/5-920/T6500	870	29.01	25,238.70
9	—	Daiwa kit spin combo 130RL/1312ACG .	785	30.31	23,793.35
10	18	Oly spin-cast combo 1100RL/T2600	807	29.01	23,411.07
11	—	Shake Ugly stick spin rod SP1100-6'6 ..	378	53.59	20,257.02
12	—	Johnson century combo set 1155	562	34.61	19,450.82
13	—	Shake Ugly stick cast rid BC1101-5'6 ..	323	53.59	17,309.57
14	12	Zebco travel pack 600/4pc rod 2795	430	31.35	13,480.50
15	—	Daiwa PMC spn-cst cmb 20/BRL/1630 .	313	38.26	11,975.38

1981 $ Rank	1980 $ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
COLEMAN					
1	3	Gallon fuel	16,734	4.28	71,621.52
2	1	Double mantle lantern 220K195	1,362	29.37	40,001.94
3	—	16.402 Propane fuel	8,387	2.79	23,399.73
4	4	Silk mantle 21A	32,750	0.63	20,632.50
5	8	Lantern 275-710	381	35.39	13,483.59
6	2	2 Burner stove 425E499	366	32.74	11,982.84
7	—	2 Burner stove 413H499	245	44.55	10,914.75
8	10	Propane lantern 5114C700	376	22.31	8,388.56
9	—	Poly cooler 48 qt	252	30.45	7,673.40
10	—	Poly cooler 34 qt	436	17.40	7,586.40
11	13	Cooler 56 qt	190	38.60	7,334.00
12	12	Cooler 44 qt	190	34.76	6,604.40
13	—	Clear globe for 220	2,584	2.52	6,511.68
14	—	Poly cooler 10 gal	228	24.46	5,576.88
15	—	Propane stove economy 5400A700	133	39.62	5,269.46
MISCELLANEOUS					
1	—	Crosman BB/177 rifle 570/760	1,085	46.34	50,278.90
2	—	Crosman pump pistol BB/177 1377	990	47.92	47,440.80
3	—	Kidde Fireaway extinguisher 1A10BC ...	2,658	17.31	46,009.98
4	—	Kidde Fireaway extinguisher 108C	3,597	11.87	42,696.39
5	—	Kidde Fireaway extinguisher 2A40BC ...	1,006	31.06	31,246.36
6	—	Daisy BB/177 pump rifle	498	47.01	23,410.98
7	—	Daisy BB/177 cal co-2 pistol 1200	731	31.16	22,777.96
8	—	Crosman powerlet 231/PD 5-per-bx	8,386	2.67	22,390.62
9	—	Crosman 177 cal gas revolver 38T	438	49.05	21,483.90
10	1	Spalding Larry Bird bsktbll 61-258	1,254	16.42	20,465.28
11	2	Spalding Magic Jhnsn bsktbll 61-268 ...	1,326	14.31	18,975.06
12	—	Crosman super BB's milk carton	10,932	1.70	18,584.40
13	—	Daisy pump BB/177 rifle	589	31.43	18,512.27
14	—	Crosman BB/177 pellet rifle 5766/766 ..	295	55.64	16,413.80
15	—	Marks pistol 177/BB/Dart 1010	866	16.15	13,985.90

(Continued on page 77)

Arvin Heat Stream® Fireplace Heat Exchangers always get a warm welcome.

These energy savers give you more sales and profits, because they give your customers more heat from their fireplaces.

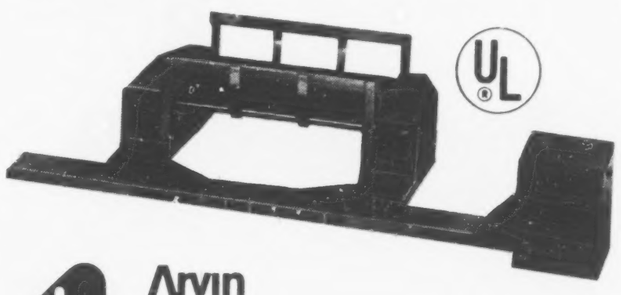
It makes sense for your customers and dollars for you. The Arvin Heat Stream Fireplace Heat Exchanger captures wasted fireplace heat and circulates it into the room, not up the chimney.

Arvin's exclusive electronic control senses the heat available in the fireplace and automatically adjusts blower speed for more efficient warming. Delivers up to 17,000 BTUs of heat to a room. Up to 55,000 BTUs when glass fireplace enclosure is used with doors closed.* There's an Arvin Heat Stream, too, with a two-speed blower and without electronic control.

With either model, Arvin Heat Stream accessories assure installation that fits most types of fireplace enclosures. Duct extensions allow use in wider fireplaces. Adjustment legs make sure the ducts are at hearth level.

As energy costs keep climbing, so will the demand for the Arvin Heat Stream.

*Independent laboratory tests based on a burn rate of 26 lbs. of wood per hour.



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PMA®

PRODUCT MOVEMENT AUDIT

Orders For Fish Gear Stream In

Last year was an erratic one for sporting goods.

According to Jim Sylvester, sporting goods buyer for Stem Distributing, a division of Cook United, Maple Heights, Ohio, sales during the year bounced up and down, even among historically strong areas like fishing.

Sylvester predicts sales will level out—at higher plateaus—in 1982.

But last year it was only the hunting and ammunition category which made substantial headway over 1980's figures, and in the case of ammunition, Sylvester admits he's hard pressed to explain why.

"I guess people are using their rifles for more than just sport," he suggested. "They may be hunting for food today as well."

The Remington 22LR Ammo Thunderbolt TB22 led the category with a total dollar movement of $161,192.76, nearly a 300% increase over 1980's figure of $55,706. Interestingly, the item rose to the top of the chart, despite a substantial price increase from $1.61 in 1980 to $2.19 last year.

Upward Spiral

A somewhat distant second was Remington's Dove-load shotgun shells, but this item, too, showed a large increase over the previous annual PMA ranking. The runner-up had a total dollar movement of $112,377.00 as compared to 1980's total of $26,985. As was the case with the top finisher, Remington also increased the price of the shotgun shells. Retail prices ran almost $2 higher than in 1980.

The popularity of the more widely known Remington products pushed other strong sellers off the top 15 chart.

The Daisy Pal BB Gun Repeater, a favorite first gun for beginners, didn't appear on the latest chart, although it did fare well in 1980.

The Daisy Giant Pack BB shot ammunition also was an up-and-coming item, as it benefited from tie-in sales with the BB gun orders. The Daisy BB Six Gun pistol was also popular throughout the year, after being featured in many discounters' 1980 Christmas promotions.

The remainder of the hunting and ammunition category was totally dominated by Remington. For the first time in many years, all of the category's top movers were specialized types of ammunition.

For 1982, Sylvester expects a marked improvement overall in sporting goods, but particularly in the camping and fishing categories.

"The camping category is growing every year, and we ex-

(Continued on page 77)

SPORTING GOODS

8th Annual PMA

PRODUCT MOVEMENT AUDIT

Fish Gear

(Continued from page 74)

pect strong surges in the late spring, early summer and Labor Day periods when many of our customers will be seeking to fill out their assortments to ensure strong sales," he said.

The buyer was even more optimistic about the fishing category, stating all indications show 1982 will be a "bang-up year." Orders so far this year have been coming in "like gangbusters," according to Sylvester, and if the early spring weather cooperates it should be a very strong year.

Last year, Sylvester said, the pipeline shrank, and that won't change much this year. "Consumers cut back on their spending on leisure-time activities, and discounters cut back on their orders," the buyer explained.

As a result, manufacturers reduced production, so that even when a hole appeared on someone's shelves, goods were hard to get.

"There's no such thing as a rush order any more. I used to be able to get an order shipped to me two or three days after I placed it; now it's more like 30 days," he said.

Increased Sales

In fishing, an early spring and mild weather pushed stores' orders slightly higher than a year ago. The buyer attributed the plus business to consumer interest, and not new products: "There are so many rods and reels already on retailers' shelves, and most product changes today are cosmetic."

Another development that hurt fishing sales in 1981 was across-the-board vendor price hikes which raised wholesale costs 7% to 10%. This, coupled with slackening consumer interest in lower-cost combination rod and reel sets, made fishing a less than exceptional category during 1981.

In years past, particularly 1980, combination sets carved out a big percentage of the total fishing gear market.

A look at the chart shows higher-ticket rod and reel combos occupying three of the top 10 places, headed by Daiwa's minicast kit, up from 15th place in 1980 to the top spot this year. The item represented $56,701.32 in retail sales, as compared to only $12,170 in 1980. The fifth-place finisher, holding from last year, was the highest-ticket item on the chart, Zebco's combo 808 reel with 8965 rod kit at $52.79. The distributor sold 559 units during the year.

Reprint Info

For volume reprint orders at a reduced price, please contact Peter Sulich, promotion manager, Select-Info., Lebhar Friedman Inc., 425 Park Ave., New York, N.Y. 10022, tel.: 212-371-9400, ext. 331.

1981 $ Rank	Items	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 74)			
	FISHING REELS			
1	Daiwa bait cast reel 3RM	1,034	52.98	54,781.32
2	Daiwa spin reel 1300c-BP	1,230	28.83	35,460.90
3	Daiwa spin cast reel 210RL-BP	1,150	21.85	25,127.50
4	Zebco spin cast reel 33CP	768	23.47	18,024.96
5	Daiwa regal spin reel	377	40.72	15,351.44
6	Shake sigma spin reel 2200-030	305	44.57	13,593.85
7	Daiwa Baitcast reel hi-speed PL100	152	69.51	10,565.52
8	Daiwa spin cast reel silver 212RL	298	30.64	9,130.72
9	Zebco spin cast reel 2020CP	307	27.49	8,439.43
10	Zebco spincast reel 600CP	556	14.98	8,328.88

Sporting goods PMA figures, covering the calendar year 1981, were supplied by Stem Distributing, a division of Cook United, Maple Heights, Ohio. The firm services 600 stores, including 480 discount stores, in 35 states. Average retail prices reflect typical price points for discount clients.

Sound Installation An Early Success

SAN DIEGO—FedMart has successfully added autosound installation capabilities to the 48 units that have tire, battery and accessory service centers (TBA's).

Some 90 FedMart employees have undergone auto sound installation training since the program was first tested a year ago.

"When we first proposed the idea of having our own people install the car stereo components, many of our store personnel were a bit apprehensive, but after the training we received a 99% favorable response," said Jerry Amiss, operating director of automotives.

Fees are based on the number of additional speakers installed along with the basic in-dash unit.

This Zodys in Stockton, Calif., uses its unique show-and-tell technique in sporting goods to spur sales of summertime merchandise. Most gondolas are dressed with sample items. *(DSN photo)*

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Use GMROI Criterion to Highlight Profit Factor

By STEPHANIE M. SHERN
Partner, Arthur Young & Company

The retail industry faces continuing challenges as we move further into the 1980's. The unpredictable economic environment, fluctuating interest rates, variable consumer buying habits, and continuing inflation force the retailer to give greater attention to improving efficiency, analyzing costs, and rethinking marketing policies. One area of major concern is the productivity of inventory. More than ever before, the retailer must now place a greater emphasis on where the dollars are allocated for inventory, in addition to the amount allocated.

Retailers must confront new pressures on inventory, as high interest rates and inventory carrying charges are having a greater impact on company profits.

This article, the first in a series on inventory management, covers a relatively new productivity factor that facilitates the decisions governing inventory planning.

* * *

Fundamentally, the retailer must have inventory on hand in order to achieve a desired level of sales. But how much inventory is required to produce this level of sales? And, can this investment in inventory be utilized more profitably in a different product classification? After management arrives at an initial sales plan, decisions on inventory will follow.

Retailers have used turnover, stock-to-sales, weeks of on-hand supply, and various other ratios to develop inventory plans. Usually these are compared with historical industry and/or company data for acceptability.

In analyzing these ratios, management hasn't been able to focus on the impact of inventory on the bottom line because ratios deal only with inventory and sales, without considering gross margin, contribution and profit. Thus, management could not determine the efficiency of the inventory allocation in relation to the bottom line.

Today, a different ratio is being utilized. It combines gross margin, sales and inventory factors. Called Gross Margin Return on Investment (GMROI), it represents the number of gross profit dollars returned for each $1 investment at cost. This method adds a measure of profitability analysis to the inventory investment.

GMROI can be calculated as follows:

$$\text{GMROI} = \frac{\text{Gross Margin Dollars}}{\text{Net Sales}} \times \frac{\text{Net Sales}}{\text{Cost of Average Inventory}}$$

In the past, turnover alone was the common performance measure used to determine inventory productivity. The basic premise was that a faster turnover led to greater profitability.

Adding gross margin to this ratio, however, gives management a new tool that aids in the decision-making process and can be used as a composite performance measure for *diverse product classifications*. For example, when comparing the turnover rate alone for diverse product classifications such as dresses and jewelry, dresses will usually have the faster turnover rate.

Should management decide to increase the dollars allocated for dresses as opposed to jewelry? Possibly, but when GMROI is used, jewelry will usually generate a greater amount of profit for each dollar invested. The retailer now has additional decisions to make.

Faster turning lines of merchandise aren't necessarily more profitable. This kind of consideration can lead to a more balanced inventory that will positively affect the bottom line.

The GMROI technique isn't confined to any one level of the organization and can be used to make inventory decisions for the company, divisions, departments or product classifications. It can also help management decide inventory levels within stores. Improved computer technology enables retailers to collect the necessary data for this decision-making tool.

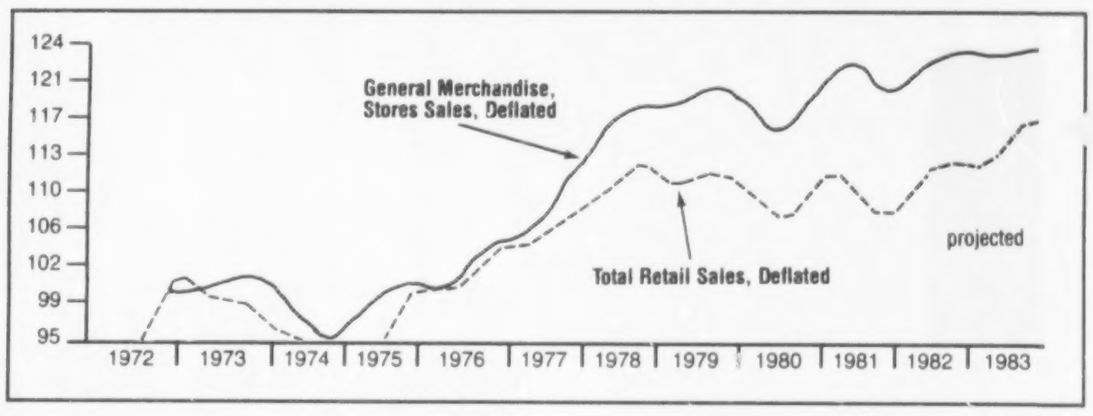
"Real world" pressures of company image, however, prevent the retailer from using this tool as the sole determinant of inventory management.

Granted that GMROI cannot be the only basis for inventory management. Nonetheless, it does offer retailers the opportunity to consider profit—side by side with turnover and other factors—in making crucial decisions about their inventories. Thus, GMROI is a valuable technique, not only for the management of inventory, but also for the development of a more profitable business.

Stephanie Shern, C.P.A., is a former chairman of the New York State Society of Certified Accountants' retail accounting committee, for which she has conducted various seminars, and is a member of the board of the Metropolitan (New York) Retail Financial Executives Association. She is also a member of the National Mass Retailing Institute, the National Retail Merchants Association and the American Institute of Certified Public Accountants.

Econocycle

Discount Stores Head For Mixed 2nd-Quarter Results



General Merchandise/Discount

	Sales Change By Quarter								12-Month % Change		
	'81 1Q %	'81 2Q %	'81 3Q %	'81 4Q %	'82* 1Q %	'82* 2Q %	'82* 3Q %	'82* 4Q %	'80 %	'81 %	'82* %
Sales include inflation	7.9	12.5	9.5	6.3	3.6	3.3	7.5	9.9	5.9	9.0	6.1
Real sales (deflated)*	0.9	5.8	3.2	0.9	−1.2	−1.2	2.8	3.9	−1.5	2.7	1.1

Base = Dec. 1981 Sales
*Projected

Even though general retailing is on a comeback trail and is projected to pick up momentum each month through the balance of the year, the L/F spending indicator (below) continues to project a lower and slower trendline for consumer purchasing through the balance of 1982.

Over the next three months, in fact, the spending indicator will continue to slip compared with retail sales trends.

When first-quarter sales are finally tallied, they should show a decline of 3% vs. the same period last year. This figure should be reduced by half in the second period, Econocycle projects, as key sectors of the retail economy begin to heat up and post regular increases again.

The recovery rate will hinge on how well the consumer reacts to the spring thaw around the country. Still an uncertain factor will be the size and length of the expected spending spree unleashed by tax rebates this month, most top retailers admit.

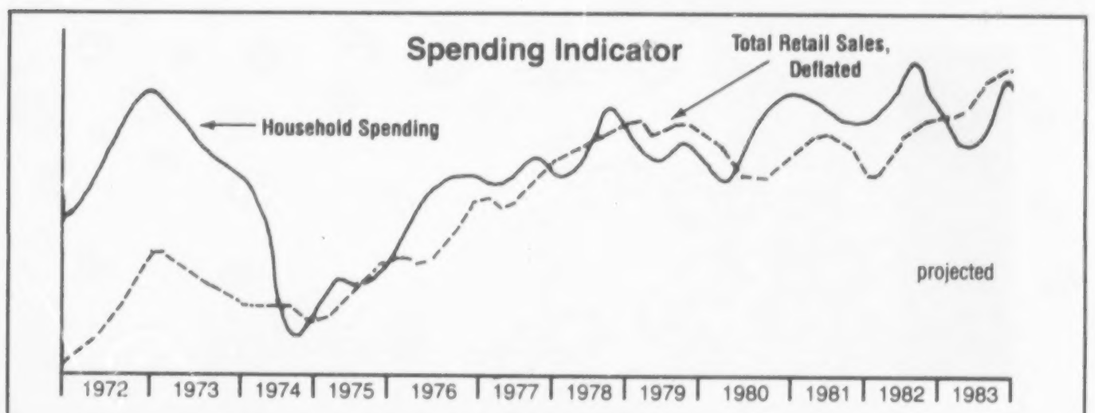
The L/F Econocycle forecast is for a marginal sales gain for discount stores in May, although the signals through the current quarter continue to be mixed.

Generally, discounters are showing a trend line similar to the general retail direction. The general merchandise/discount industry should continue to improve going into the third quarter, but at a slower pace than overall retailing, L/F's computer model projects.

The real concern is the growing gap between the spending indicator and retail trends.

For now, only a handful of key retail industries appears to be shaking the slowdown virus that took hold of the retail economy late last year.

- Restaurants and fast-food units are posting steady, marginal gains—but appear to be headed toward solid third-quarter results.
- Drug stores are also moving along the same path as general retailing.
- Apparel specialty stores are set for a solid first half—but may be heading for a flat final six months.



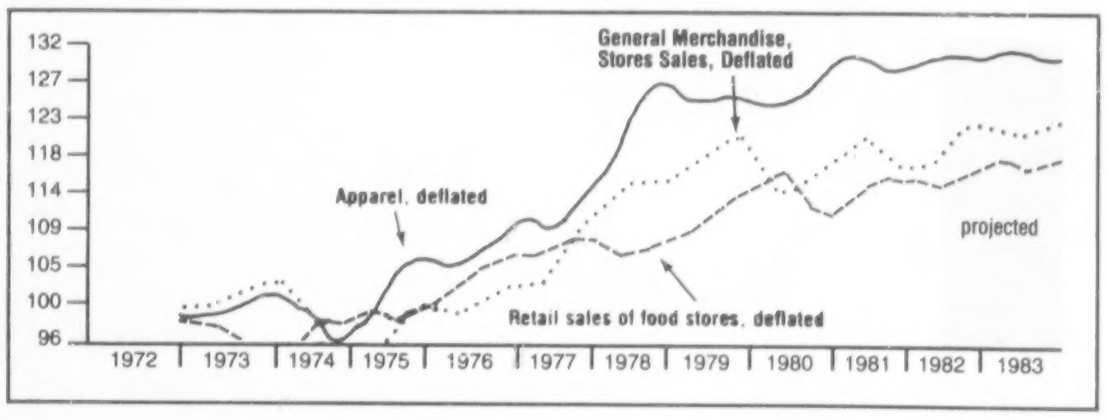
Sales/Include Inflation
% Change By Quarter

		Total Retail Stores	Food Stores	Eating & Drinking	Building Materials Hardware Stores	Drug Stores	Furniture & Appliance Stores	Apparel Stores	General Merchandise Stores	GAF Stores
1981	1Q	9.9	10.5	7.4	8.4	10.4	8.4	9.8	7.9	8.4
	2Q	12.3	10.7	11.4	15.2	10.3	9.0	8.7	12.5	10.9
	3Q	10.2	9.4	10.0	7.4	8.7	5.0	8.3	9.5	8.2
	4Q	5.5	8.4	8.6	− 4.2	7.0	1.6	4.9	6.3	5.0
1982	1Q*	2.3	7.6	7.2	−10.3	7.1	−0.2	1.2	3.6	2.3
	2Q*	2.5	7.2	6.6	− 0.8	6.7	5.2	3.0	3.3	3.6
	3Q*	4.1	7.7	10.4	8.5	7.4	7.1	3.5	7.5	6.6
	4Q*	6.4	8.4	11.1	10.9	6.4	6.9	4.9	9.9	8.2
% change 12 mos.	1980	7.7	10.8	8.7	− 3.2	11.9	4.7	4.6	5.9	5.4
	1981	9.4	9.7	9.3	6.5	9.0	5.9	7.9	9.0	8.1
	1982*	3.8	7.7	8.9	1.7	6.9	4.7	3.1	6.1	5.2

Real Sales (Deflated)*
% Change By Quarter

1981	1Q	0.4	− 1.4	− 2.1	− 1.2	0.2	2.2	5.9	0.9	2.2
	2Q	3.6	0.3	2.1	6.0	0.3	3.0	4.5	5.8	4.9
	3Q	2.4	1.2	1.1	0.5	− 1.1	−0.6	3.9	3.2	2.5
	4Q	− 1.1	3.6	0.5	− 9.3	− 2.4	−3.8	1.7	0.9	0.1
1982	1Q*	− 3.1	2.5	0.9	−13.0	− 0.8	−5.6	−1.9	− 1.2	− 2.3
	2Q*	− 1.7	− 0.4	0.1	− 4.0	0.7	−1.2	−0.0	− 1.2	− 1.0
	3Q*	1.3	− 0.2	3.4	2.2	2.8	−0.3	0.6	2.8	1.7
	4Q*	4.6	− 0.2	3.7	2.1	2.4	−0.8	1.4	3.9	2.4
% change 12 mos.	1980	− 2.6	3.0	− 0.7	−12.4	2.5	−1.4	0.1	− 1.5	− 1.2
	1981	1.3	0.9	0.4	− 1.1	− 0.8	0.2	4.0	2.7	2.4
	1982*	0.2	0.4	2.0	− 3.5	1.3	−2.0	0.0	1.1	0.2

Base = Dec. 1981 Sales
*Projected



About Econocycle

The source for the L/F Econocycle index is the Econostat Applied Economic Research Unit of The Hague, Holland. This unit consults for Government and major corporations on three continents. Its projection techniques are based on the Econocycle System, a computerized system designed by the Econostat team of economists.

Because of the changing pace of inflation in the United States, retail sales figures in the L/F Econocycle projections have been adjusted to take account of inflation. All statistics are shown in *real* terms. The charts (above, facing) represent the trend cycle. The data has been seasonally adjusted and smoothed—and is updated each month. Source for current sales and the deflator series is the U.S. Dept. of Commerce.

Where an *Index Base* is indicated, all data is converted to index numbers, starting from a common base (= 100) in order to establish meaningful performance comparisons.

Catalog Showroom News: P. 8

Specialty Discounters: P. 8

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Discount Store News®

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Robert Mandel, president of KDT, is looking toward the second half to bring King's/Barkers around. *(DSN photo)*

King's/Barkers Problem Still 'Do-able': Mandel

By ROBERT Z. CHEW

BRONX, N.Y.—When he decided to take the job the first two words out of Robert Mandel were, "It's do-able."

Those two words said quite a bit about the soft-spoken, gray-haired gentleman who splits his time between KDT Industries offices here and in Newton, Mass.

Mandel's hair may be a little grayer now than it was when he made that confident proclamation and took on the job as president of KDT, operator of 181 King's/Barkers discount stores, in January.

(Continued on page 27)

K mart 'Out-Images' Target in Indy Race

DSN Staff Report

INDIANAPOLIS—K mart is still king of the hill here.

Eighteen months after Target invaded this midwestern market, K mart maintained its strong hold on Indianapolis because shoppers continued to perceive the industry giant as offering the lowest prices.

In addition, consumers targeted K mart as offering better quality merchandise than its Minneapolis-based competitor.

The end result is the consumers picked K mart almost two to one over Target as the one store they would go to if they could only shop one store.

Those are some of the findings in *DSN*'s third survey of Indianapolis consumer attitudes. The study was carried out in March and followed similar inquiries made in February 1981—when Target was new in town and Ayr-Way was under its old logo—and then again in July, after Target had finished refurbishing and renaming its acquired Ayr-Way.

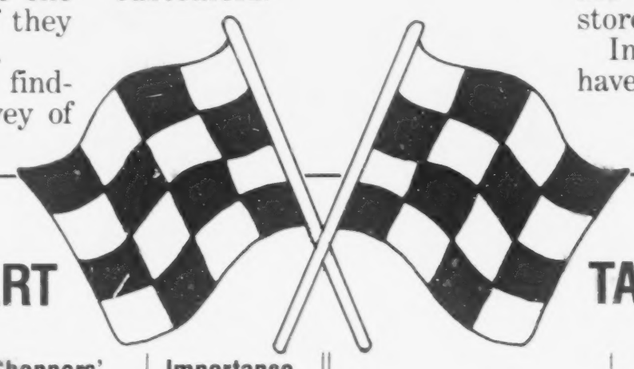
K mart, overall, has maintained its image among shoppers much better than Target as evidenced by both the rankings in the three *DSN* surveys and in comments offered by customers.

The two pivotal findings are: (a) the recession has intensified the importance of price as a consumer consideration as to where to shop, with K mart's strength continuing to be its low price image and, (b) quality of merchandise has become more important as an indication of value, and here, for the first time, Indianapolis shoppers rated K mart higher.

K mart, in fact, has a core of loyal customers who shop the chain in preference to other retailers, while Target consumers are as likely to shop other stores.

In addition, Target seems to have failed to build on the Ayr-

(Continued on page 16)



K MART			TARGET		
Criteria	Shoppers' Rating of Store Performance (a)	Importance to Shoppers (b)	Criteria	Shoppers' Rating of Store Performance (a)	Importance to Shoppers (b)
Store Appearance	8.53	5	Low Prices	8.71	1
Convenient Location	8.35	4	Store Appearance	8.12	6
Low Prices	7.38	3	Convenient Location	8.12	4
In Stock	7.31	2	Mdse. Quality	7.50	2
Helpful Clerks	6.73	6	In Stock	7.14	3
Mdse. Quality	5.85	1	Helpful Clerks	5.81	5

(a) Shoppers ranked each chain on six criteria, using 10 as the highest score. (b) Shoppers then ranked each criterion as it was important to them, with 1 as the highest score. *(Source: DSN research)*

Target customers view merchandise quality as the most important criterion in judging where to shop but rated the discounter lowest for this factor. Price is the most important consideration for K mart shoppers and the discounter received its highest rating for this criterion. *(DSN research)*

FedMart Tells Employees: Dissolution of Chain Near

SAN DIEGO—FedMart is a step closer to going out of business.

Jan Heydorn, president of the 51-unit chain, put chain workers on notice, at *DSN*'s presstime, that the end was near.

In a confidential letter sent to key employees, Heydorn advised them the board of directors was now moving to dissolve the company.

He told employees a final decision would be made within the next few weeks.

Among the decisions the board is reportedly considering is selling the company's stores —only California and a few Arizona, Texas and New Mexico units remain in the once-powerful Southwestern chain's four-state domain—as a block, or liquidating them and selling them in smaller parcels.

Dayton Hudson is reportedly talking to the West Coast retailer on behalf of its Target and Mervyn's divisions (*DSN*, April 5) and sources say Federated Department Stores' Ralphs supermarket chain has now become an active bidder for the stores.

Also, Vons supermarkets, El Monte, Calif., is known to be negotiating for FedMart's 370,000-sq.-ft. warehouse and distribution center on Miramar Road in San Diego.

Executives at the chains couldn't be reached for comment.

Heydorn's letter counseled the notified employees to remain with the organization until the final disposition of the stores has been made.

The benefit of remaining, he wrote, would include severance pay equal to one week's pay for each full year of FedMart employment; an incentive bonus up to $5,000; all accrued vacation pay, and continued benefit protection until three months after termination or upon new employment, whichever comes first.

Heydorn also sent a letter to the chain's vendors.

The confidential letter to employees said, among other things, that "FedMart is considering all possible alternatives, including liquidation and

(Continued on page 26)

Jeans Suit Is Patched Up By K mart, Englishtown

NEW YORK—K mart and Englishtown Sportswear, manufacturer of Sergio Valente jeans, have mended their legal fences.

After bringing suit accusing the discounter of selling Sergio Valente jeans that were "either counterfeit or stolen," Englishtown was ultimately convinced K mart obtained the merchandise in a legitimate manner. Englishtown's civil suit against K mart was dropped without going to trial; no settlement was involved.

The dispute was resolved when an independent outside attorney reviewed the documentation submitted in the case. His scrutiny of the evidence resulted in a written affidavit verifying that the jeans in question were neither counterfeit nor stolen but purchased by K mart through legitimate channels. Englishtown accepted this verification, bringing the suit to a close.

Englishtown's case originated from the theft of a large quantity of Sergio Valente merchandise from its New York City warehouse in the fall of 1980.

The suit alleged that in January and February 1981, K mart advertised Sergio Valente jeans in its Massachusetts stores at an unreasonably low price.

Claiming Englishtown never sold Sergio Valente jeans to K mart, the manufacturer demanded the discounter reveal its source of supply to demonstrate that the jeans weren't counterfeit or stolen goods.

K mart claimed it purchased the merchandise from a vendor —a jeans diverter—who, in turn, bought them from a retailer.

But, the discounter refused to divulge the names of its sup-

(Continued on page 21)

DSN Digest

May 3, 1982

HOUSEWARES

• **Discounters waited to see** how air cleaners fared during the first quarter and now are set to give the category its head. (p. 11)

H&BA

• **Chains grapple with an** over-the-counter specialty category: cortisone cremes. (p. 13)

HARDWARE

• **Blister-packed plumbing** products gain momentum—and space. (p. 17)

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Spring Biz Gains Ease After Big February

Nationwide DSN Report

Early April storms helped to dampen Easter sales in much of the industry, but discounters overall reported a moderate spring of middle-to-high single-digit volume gains.

For most, first-quarter results will be the product of a strong February with double-digit gains, a much weaker March performance with growth dropping off nearly 10% in some cases, and an in-between April.

K mart chairman Bernard Fauber said the chain expects an improving economy during the latter half of 1982, but "in the nearer term, we anticipate a continuing difficult and highly competitive economic environment."

At the nine-week mark, K mart's sales of $2.3 billion were 8.8% ahead of year-before sales of $2.1 billion for the period. This was achieved on a 12% February gain and a 6.7% gain in March.

Some observers feel February's performance was bolstered by stiff markdowns of winter merchandise at K mart. In his monthly report Morgan Stanley analyst Walter Loeb noted: "Our forecast for K mart's first-half fiscal 1982 income is gloomy. We look for a major profit setback in the February-April span and a flat earnings performance in the following period."

No. 2 volume chain Woolco is in the midst of massive changes, including a remake of management and store closings, as parent F. W. Woolworth seeks to break it out into a separate division from Woolworth variety stores. Sales at all domestic divisions of F. W. Woolworth showed a gain of only 0.5% for the first nine weeks of the year.

The spring is bringing pleasant surprises for some chains.

At Venture's parent May Department Stores, a spokesman commented sales were "ahead of anticipated levels" at Venture. At Richway's and Gold Circle's parent Federated Department Stores a spokesman said those chains were running "somewhat ahead of expectations."

After the first nine weeks, Venture was showing a 12.6% sales gain (13% store-for-store) after a 16.1% increase from the year before during March and a 6.9% gain in February.

Richway and Gold Circle, which compose the mass merchandising division of Federated, were ahead of last year by 19.5% after the first nine weeks. The chains' combined volume was up 24.8% in March, after a weaker February.

Many chains have set plans for low double-digit increases for the year, though they see business at least through the first half as a repeat of last year.

"We set up an aggressive plan for the year, but people are treating it like last year and you'll have to fight for the business," a Pamida spokesman said. That chain planned for a sales increase of 10%, and was up slightly as the end of the first quarter drew near. Early April results were ahead, as February had been, though March sales had run slightly behind 1981 volume.

At ALCO, a spokesman said the chain looks for "a moderate first half," including a volume increase near 6% for the first quarter. "We had an 8.5% increase for February and 6.2% increase for March, and we think performance will stay around those numbers." Early reports showed Easter volume relatively flat compared to 1981, but the spokesman noted last April was very strong with a 23% increase from the previous year.

At other medium-sized regional chains, Jamesway went ahead of last year by 9.1% after the first nine weeks, following a 17.8% gain in February and a 4.3% gain in March.

Heck's volume was up 26.5% after the first nine weeks, though the gain included volume from 14 new stores which were takeovers from Mr. Wiggs. The February gain was 36.2% and the March increase totaled 20%.

Some of the country's largest discounters are having a strong spring, though total results were boosted by year-to-year changes, in some instances.

(Continued on page 7)

1982 Sales (Millions)

Chain	First Nine Weeks 1982	1981	% Gain
K mart	$2,281	$2,097	8.8
Wal-Mart	414.0	264.0	57.0
Zayre*	275.9	234.3	17.8
Venture	92.0	81.7	12.6
Murphy's Mart	82.1	68.9	19.1
Heck's	46.4	36.7	26.5
Gold Circle/Richway**	99.8	83.5	19.5
Jamesway	39.2	35.9	9.1

**includes specialty store volume.*
***Mass merchandising division, Federated Department Stores.*

Murphy's Mart Ups Dominance of Parent

McKEESPORT, Pa.—Murphy's Mart has strengthened its status as the dominant retail arm of parent G. C. Murphy by continuing to show strong sales gains that have overcome declines in other operations.

The parent company reported a 50.7% drop in net income and a small 1.8% sales increase in the fiscal year ended Jan. 28; the discount arm's volume went up 7.1%, countering a 5.5% drop in sales from variety and bargain stores.

In the two-month period, the discount stores registered a 19.1% volume gain, overcoming a 4.9% drop from other operations, to boost the parent company's sales 9%.

In the fiscal year, Murphy's Mart sales went to $495,735,000 vs. $463,031,000 in the period last year. The discount stores' share of total sales went to 60.6% from 57.6%.

Total G. C. Murphy fiscal year sales were flat, going from $803,699,000 to $817,823,000. Volume from the nondiscount retail operations dropped to $322,097,000 from $430,668,000.

Net income in the fiscal year plunged 50.7% to $8,628,000 from $17,489,000. Chief executive officer Charles H. Lytle blamed both the recession and unexpected high inventory shortages.

The economy, he said, "had made sales increases difficult to achieve and also adversely affected the company's efforts to improve gross profit margins."

He added "although shortage accruals had been increased in response to a sampling of mid-year inventories, year-end physical inventories resulted in actual shortages much greater than projected."

In the five weeks ended April 1, the discount store operation had $50,764,000 in sales, up 21.4% from $41,833,000 to help boost the parent's overall volume to $78,265,000, a gain of 11.6% from $70,104,000.

Fishers Big Wheel Takes Over Jewelry, Breaks Out CE Dept.

NEW CASTLE, Pa.—Fishers Big Wheel is looking to bejewel chain volume in 1982 with the takeover of its leased jewelry sections and the breakout of a new consumer electronics department.

The 68-unit discounter has assumed control of its jewelry departments, formerly operated by American Novelty Co./Scharr Jewelry. With the move, the discounter is plunging itself not only into the gem business, but into consumer electronics as well. The lessee formerly supplied the chain with costume jewelry, watches and clocks, as well as consumer electronics: radios, calculators, tape recorders and small box stereo components.

According to Homer Helter, vp sales and marketing, Fishers expects its new consumer electronics department—with expanded lines and traded-up price points—to produce at least 2% of next year's volume, which is comparable to what the entire leased jewelry department contributed to 1981's gross volume. "Jewelry will be over and above that," said Helter.

Although final merchandising strategies for the chain's new offspring are not complete, Helter said major emphasis will go to consumer electronics.

"Electronics was our weakest area, because the lessee wasn't in a full program," said Helter.

He envisions Fishers' new department as "comparable to programs of most mass merchandisers." Where the lessee topped off at $200, Fishers will trade up to at least $300 in stereo components, he said.

Also combined with consumer electronics will be video games, currently merchandised in toys. Here, the chain plans to expand its selection from strictly Atari to other ven-

(Continued on page 21)

Great Balls of Fire! Jefferson/Ward Eyes World's Fair Souvenir Bonanza

KNOXVILLE, Tenn.—The outpouring of memorabilia for the current World's Fair here will be sold all over the Knoxville area . . . the fair grounds, the airport, and, certainly, in the retail stores.

Competition will be stiff, but Jefferson/Ward, with one unit in the market, is ready. A World's Fair Souvenir Shop was installed back in November.

The retail area, which consists of three rounders for T-shirts and a 4-by-4-ft. shelved tower for hard lines, has prime real estate at the front entrance of the store.

An overhead sign carrying the World's Fair Ball-of-Fire logo identifies the shop, and a full-sheet sign at the store's entrance announces Jefferson/Ward as the World's Fair Souvenir Headquarters.

At the Fair itself, a Sunsphere tower, topped by a giant glass globe made with 24-karat gold, glitters and soars over the site of Knoxville's 1982 World's Fair, the first since Spokane's Expo in 1974. The Fair opened May 1 for a six-month run.

The People's Republic of China is here with a pavilion, the first time the Chinese have participated in such an event. Nineteen other countries are also exhibiting, and the $21 million United States pavilion is the biggest, most expensive of them all.

Jefferson/Ward store manager, Wayne Dorster, said the shop was put in place last November knowing early sales would come from local shoppers. Sales have been good, with T-shirts, as expected, the biggest seller.

The shop is carrying T-shirts for children and adults, priced up to $10. They have been reordered more than once.

Dorster said the shop has contained a wide variety of World's Fair merchandise since its opening, but the hard lines, such as mugs and glassware, weren't expected to move in quantity until the Fair opened and out-of-towners started coming in.

The souvenir assortment is being kept to items selling for under $10. Dorster expects the top seller to be the Koozie holder, a styrofoam holder for soft drinks and beer.

Dollar inventory investment has been kept to a minimum until "the big question"—how much sales potential the opening of the Fair will mean—is answered.

According to Dorster, stock levels can be kept down because most of the licensees, regardless of their home base, opened facilities to maintain inventory in Knoxville, ready for quick delivery.

"Our only problem," said Dorster, "would be if the whole thing went wild; then everybody, including the licensees, would be out of stock."

(Continued on page 27)

Previous World's Fairs unveiled the Eiffel Tower, the Space Needle and the Statue of Liberty. Knoxville's entry is its totem structure, this 266-ft.-high Sunsphere with its 24K gold dust glass globe. *(Courtesy of National Home Center News)*

C5150-3 5/25/82

Editorial

So Long; Thanks for An Exciting 10 Years

By STUART J. HORTON

A little more than a decade ago, I didn't really even know what the term discount department store industry meant.

Now, I'm saying goodbye to that industry, which grew to become one of the most important parts of my life.

Beginning June 1, I will assume new responsibilities at our parent company, Lebhar-Friedman, as publication director/editor of *Drug Store News*. And so, this column serves as a farewell to many of you.

What better surroundings for this parting than the NMRI convention? This is my 11th consecutive such meeting and it's an event to which I've always looked forward and which I will surely miss.

The NMRI convention, in a way, parallels my own career at *Discount Store News* and the evolution of the industry. That association, discounting and all of us have matured over the past 10 years. We're all better for it.

Thinking back to 1972 and my first convention, I can remember many chains that no longer exist. And, although the convention was the largest up to that time, leaner days were ahead for the NMRI and all of us.

The mid-1970's were crisis years for discounting and the NMRI. They also weren't the most prosperous of years for this publication. But a revitalized NMRI and discounting survived to rebound strongly by the end of the decade, when I was named publication director of *DSN*.

Now, discounting is a mature, more stable industry, recent problems experienced by individual chains notwithstanding. The NMRI convention has grown into one of the most successful and respected meetings of its kind. And all of you have helped *DSN* evolve into the leading publication serving the discount department store field.

Admittedly, the preceding recap is rather sketchy, but the memories and friendships I'm bringing away from my association with discounting run deep.

I've been fortunate to be involved in a hectic industry that's experienced the most dynamic growth of any retail industry. I've seen firsthand and reported on some truly great American success stories. I've met and come to know some of the finest entrepreneurs who ever liv

I've made a ca of traveling the discount circuit, staying in h the events and people that we've written about and have all come to know.

Who in discounting hasn't made the trip to Bentonville, Ark., an arduous journey that is well worth the time? (By the way, I'm now convinced that the best route, due to frequent closings of the airport in Fayetteville, Ark., is to fly to Tulsa and drive the two hours to Bentonville.)

Visiting Boston, the cradle of discounting, always is a treat, always a trip back to our roots. And nothing to me ever was more fun than to spend a night at one of the roadside hotels outside of Cleve-

(Continued on page 169)

Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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Sol Price and son Robert look over merchandise in one of The Price Club's bare-bones wholesale/retail warehouse outlets that average over $56 million per unit. *(San Diego* Union-Tribune *photo)*

Bare-bones Price Club Expanding After Meaty $227 Million in 1981

By SUSAN WARNER

SAN DIEGO—Sol Price is marching again.

After racking up some $227 million in sales last year out of its four superwarehouse Price Club units, the chain has added three stores this fiscal year, has just started a new northern California division and aims to have 20 outlets in five years.

The burgeoning operation has also beefed up its executive ranks with the recent hiring of Walter H. Teninga, retired vice chairman and chief financial officer at K mart, to head up the northern division.

The cash-and-carry wholesale/retail warehouse club is pulling in on average some $56 million per unit, which, if everything goes according to plan, will make the Price Club a billion-dollar baby four years from now.

This fiscal year, ending Aug. 31, Sol Price and son Robert, president of the company, expect sales to hit $350 million with their bare bones merchandising concept.

And with a current earnings ratio of some 2% on sales, the operation can expect to reap some $7 million in profits, up from $5.1 million last year.

In the first quarter of this year the chain has already seen a sales jump of 49% to $110.3 million and an earnings climb of 31% to $2.1 million.

But the Prices are cautious. They know how things can

(Continued on page 170)

Chains Eye 3rd, 4th Qtrs. With Newfound Optimism

Nationwide DSN Survey

Discounters with solid first quarters under their belts are looking at the third and fourth quarters with new-found optimism.

Some are even boldly projecting upward to 18% sales jumps this fall.

The notes of optimism came, however, after crippling April weather bit into last month's sales results.

One discounter expecting a continuation of its strong spring sales performance was Target executive vp-merchandising Gerald Kanter.

"We're looking for an economic turnaround in the fourth quarter, but we're still being cautious in our approach," said Kanter, who confidently predicted his chain's 18% sales increase for its latest nine-week period would hold steady throughout the year.

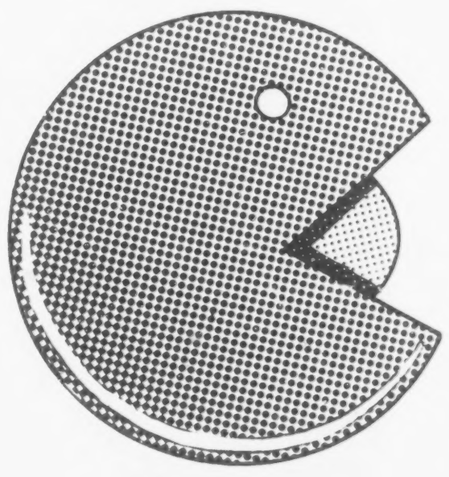
One of the chain's expected growth areas will come from the consumer electronics category, according to Kanter.

Optimism was also found at Oklahoma City-based T.G. & Y., where a chief spokesman projected fall sales increases in the 12% to 16% range.

"We have the opportunity to capture a greater share of the marketplace with our planned upgrading of apparel, especially in the new AIM For The Best stores," he said. The chainwide apparel upgrading will be accomplished by expanding soft line categories and adding higher-priced name-brand merchandise.

"There will be a trade-up trend in all categories, to a degree," said the executive, "but

(Continued on page 169)



The Pac-Man Cometh, But For How Long?

Nationwide DSN Report

Can a monster-munching yellow dot outlive a little girl with strawberry curls?

Discounters can't say for sure, but they're betting inventory levels he won't last a year.

Despite National Pac-Man Day, record-breaking video game cartridge sales and an avalanche of Pac-Man painted and embossed products—from a hit song to plastic mugs—discounters say they are keeping a tight grip on licensed Pac-Man product orders. Unlike Strawberry Shortcake, a healthy two-year-old phenomenon, merchandisers don't think the little muncher will be around that long. Many are giving him a year at tops.

"In my opinion this is going to be a short-lived thing," said Alan Long, vp and hard lines merchandise manager for Magic Mart, Little Rock, Ark.

Cook United consumer electronics buyer Doug Bailey agreed: "I don't think it's a fad that's going to end right away, but supply is catching up with demand."

Bailey, like most discounters, believes the fate of the licensed character made famous by an arcade game is tied ever so closely to the demand for the new Atari game cartridge.

Pac-Man is the first video game whose image has spread to other products in the $13.7 billion licensing business, a business which industry officials predict will grow by 100% by 1990. Licensed apparel and apparel accessories currently make up $4.5 billion of the total licensing market.

However, those like Bailey, who believe Pac-Man's licensing success is tied to the game's sales, say trouble is brewing.

With Atari facing stiff com-

(Continued on page 170)

Our Biggest NMRI Convention Issue! See Pp. 33-153

HOUSEWARES

Mass Merchandisers Still Big No. 1

CHICAGO—With manufacturers' sales to mass merchandisers at $5.3 billion in 1981, the latter continued to have the largest share, by far, of the housewares market.

This retail segment accounted for 28% of manufacturers' total dollar sales to retail and wholesale outlets. The mass merchants' large volume last year, however, represented a small 1.3% gain over 1980.

Those are among the findings just released in the 15th Annual National Housewares Manufacturers Assn. research study of the industry.

In terms of market share, mass merchants were followed by department stores with 11%; catalog showrooms, 10%; drug stores, 6%; food stores, 6%; variety stores, 5%; hardware/housewares stores, 5%; mail order operations, 2%; home centers, 2%, and appliance retailers, 1%. All other outlets accounted for 5%.

As in past NHMA surveys, there is some confusion about which retailers are included in each retail segment. For instance, in reporting sales, some manufacturers listed Sears, Penney and Montgomery Ward as department stores; others called them mass merchandisers.

The NHMA survey lists the retail segment totals in whatever way manufacturers report their sales. The mass merchandiser category, which includes the discount operations, is therefore inflated by the inclusion of some sales to Sears, Penney and Ward.

To complicate the listing, a few manufacturers reported Walgreen's and Woolworth's, in addition to Woolco, as mass merchandisers. Other retailers were listed in more than one retail segment.

A Closer Look

Although the survey's retail category definitions aren't precise, the same uncertainties existed in all previous NHMA surveys. As a result, there is still enough consistency in the studies to draw conclusions about where the industry stands and where it's headed.

In 1980 the survey showed catalog showrooms and department stores running neck-and-neck in market share. In 1981 department stores pulled well ahead, with a 22.9% gain, to secure the No. 2 spot. Catalogers increased their share, but not enough to overtake the department stores.

The biggest gainers last year were the food stores, variety stores and home centers, all taking 33.8% more of manufacturers sales.

The hardware/housewares stores' segment took the biggest drop, 23.5% in 1981, probably due to the large number of small independents in this group who were hard hit by the recessionary economy.

Another decrease, 16.1%, was registered by the mail order operations, a category that is, ironically, usually touted as among the fastest growing in the retailing industry.

For discounters, the bottom line of the market share tally for 1981 is confirmation of what they already know. The housewares business is growing among a variety of retailers, with the consistent increases among the food and drug chains particularly threatening. Conventional department stores, scoring an impressive gain last year, can't be counted out, even as feisty competitors in price-sensitive housewares merchandise.

The NHMA survey was conducted by the market research firm B. Angell & Associates, based on questionnaires mailed to the 1,810 exhibitors at the January 1982 Housewares Exposition. Responding manufacturers numbered 659, or 36%.

The study also concluded housewares manufacturers sales in 1981 hit $19 billion, a 9% increase over 1980's sales of $17.5 billion.

Figures Analyzed

Manufacturers' sales directly to retailers in 1981 were 80% of the former's total; the remaining 20% went to various types of wholesalers. This distribution of sales represented little change from 1980's 81% to retailers, 19% to wholesalers.

If the industry's rate of growth continues at its current pace, the study projects housewares manufacturers' total sales will reach $33 billion by 1986.

Manufacturers' Dollar Sales by Retail Segment
(Add 000)

	1980	1981	% Change
Mass Merchandisers	$5,250,000	$5,320,000	+ 1.3
Department Stores	1,700,000	2,090,000	+22.9
Catalog Showrooms	1,700,000	1,900,000	+11.8
Drug Stores	99,400	114,000	+14.7
Food Stores	85,200	114,000	+33.8
Variety Stores	71,000	95,000	+33.8
Hardware/Housewares Stores	99,400	76,000	−23.5
Mail Order	42,600	38,000	−16.1
Home Centers	28,400	38,000	+33.8
Appliance Stores	14,200	19,000	+33.8
All Other	99,400	95,000	− 4.4

Source: National Housewares Manufacturers Association

A total of 659 manufacturers at the January 1982 Housewares Exposition responded to the annual NHMA survey. Once again they reported the largest portion of their sales were to mass merchandisers.

WINDOW SHOPPING

By MARILYN NEERMAN

Discounters walk the 1.2 million sq. ft. of McCormick Place, peruse the wares of more than 1,800 manufacturers and still manage to say, with a straight face—I didn't see anything new at the show.

Next time around, no one will be able to make that claim. If nothing else is new at the 77th NHMA National Housewares Exposition, scheduled for July 12-15 at Chicago's McCormick Place, there will be a change in the show's directory.

Agenda Listed

For the first time, the directory will indicate those manufacturers interested in exporting their merchandise, by placing a small symbol representing a globe in front of their booth numbers.

An NHMA spokesman said he fully expected some buyers to walk around in circles looking for a manufacturer whose booth number begins with an "O." Be forewarned, that "O" may be a globe.

There will be a couple of other "firsts" at the July housewares show.

It will be the first time the lower level of McCormick Place West will be used for a July show. Again, there will be a special Sunday opening in McCormick Place West on July 11.

Added Category

Another addition will be an exhibit by manufacturers from Hong Kong, represented by the Hong Kong Trade Development Council. Roger Chu, marketing officer for the Council, said Hong Kong manufacturers currently export about $380 million annually, F.O.B. Hong Kong, to the United States in housewares. Most of that is in electric housewares, to both manufacturers and directly to retailers.

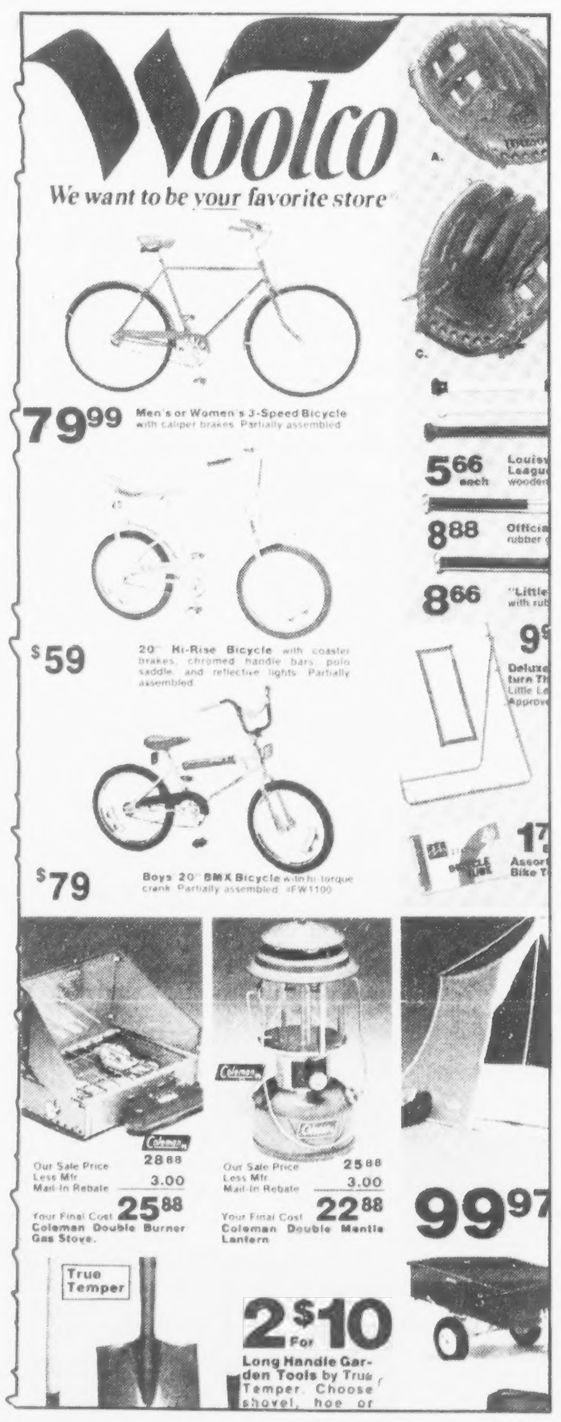
Chu said all merchandise presented at the show will be made in Hong Kong, even if all components aren't. There will be no merchandise in the exhibit from "the Mainland"; everything will be designated "Country of Origin: Hong Kong."

The NHMA announced that nearly 1,800 exhibitors have signed on for the July show, making it the "biggest NHMA summer event ever."

home
2 for $1 Reg. 2 for 1.58
Small plastic stack bins, approx. 4x5" Medium, approx. 4x7", sale $1 each
Large, approx. 5x10", sale $2 each
.99 Each, reg. 1.69 & 2.19
Plastics: laundry basket, wastebasket, pail, handi-pan, handi-caddy or vegie bin. Assorted colors.
3.49 Each
Shoe stack holds 8 pairs of shoes. Sturdy plastic in assorted pastel or bright colors. Save now!
14.99 Reg. 19.99
Bean bag chair in pastel gray, rose or green and other popular colors. Double stitched vinyl for long use.
TARGET

2 Approaches To Advertising Housewares

Target (left) was one of the few discounters who ventured to stock merchandise in this season's fashion color palette: pastels. The Minneapolis-based chain promoted a healthy mix of pastel-tinted plastic, housewares, linens and home furnishings on the front cover of a 16-page advertising supplement devoted to those categories. Woolco (right), for its part, is continuing to upgrade its image—in both advertising and store presentations. In advertising, the New York-based chain is now taking a classification approach. In the past, the chain used price-item advertising (two-color) to pull shoppers into key departments. Now, it's using four-color broadsheets and giving categories half- (shown here) and full-page space allotments.


Woolco
We want to be your favorite store
79.99 Men's or Women's 3-Speed Bicycle with caliper brakes. Partially assembled.
$59 20" Hi-Rise Bicycle with coaster brakes, chromed handle bars, polo saddle, and reflective lights. Partially assembled.
$79 Boys 20" BMX Bicycle with hi-torque crank. Partially assembled. #FW1100
5.66 each
8.88
8.66
Our Sale Price 28.88
Less Mfr. Mail-In Rebate 3.00
Your Final Cost 25.88
Coleman Double Burner Gas Stove.
Our Sale Price 25.88
Less Mfr. Mail-In Rebate 3.00
Your Final Cost 22.88
Coleman Double Mantle Lantern
99.97
True Temper
2 For $10
Long Handle Garden Tools by True Temper. Choose shovel, hoe or

HARDWARE

Late Spring Won't Cut Mower Biz

Old Man Winter tried, but will probably fail, to put a noticeable drop in spring lawn mower sales.

The severe early spring snow and rain storms that reached from the central plains states to the Southeast including North Carolina and Georgia temporarily postponed the start of the mower season from late March to early and mid-April.

Otherwise, sales are expected to be brisk, helped by the postponement of the Federally mandated safety controls that will eventually be required equipment on all mowers.

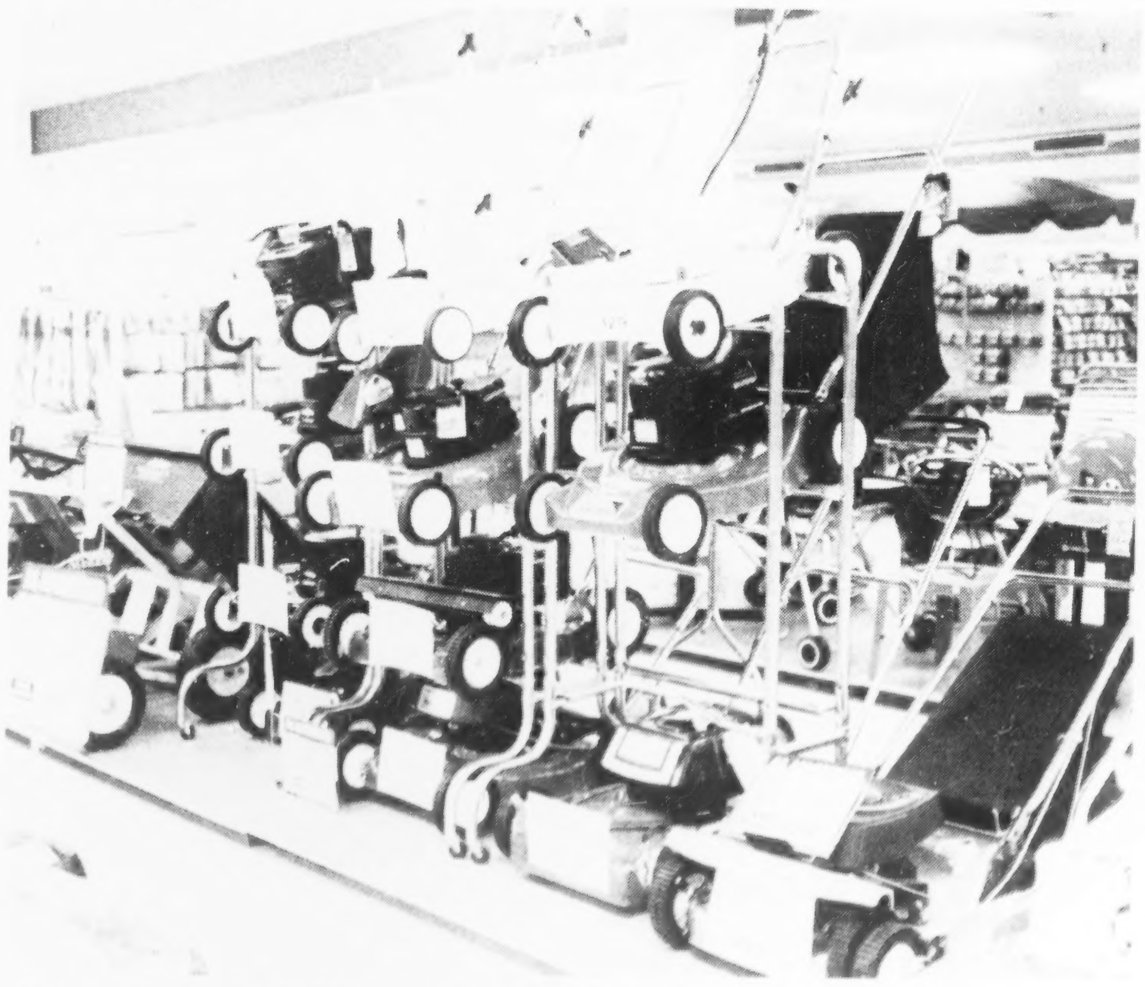
The latest 1982 projection concerning the size of the mower market places total manufacturer units to be shipped at 4,800,000. The figure represents an increase of 4.3% from the 4,600,000 units shipped in 1981, according to the Washington-based Outdoor Power Equipment Institute, which represents almost 95% of the nation's mower outlets.

The so-called "deadman clutch" innovation is now slated to appear in discounters' selections no earlier than the beginning of the 1983 spring selling season.

As of July 1, 1982, all manufactured mowers must have a variation of the automatic cut-off device in their mowers. The control was originally slated to be produced after Jan. 1, 1982.

Because of the one-season reprieve from being forced to sell mowers with the cut-off, Rose's buyer C. T. Finch expects a "good mower year.

"We're noticing a definite trade-up trend to our high-end [$187.97] push mower so far this year, mainly because people want to buy a higher quality mower before the new, more expensive models come out."



Spring will be a little late this year, but lawn and garden buyers report the season's mower sales will enjoy strong movement. Caldor, Paramus, N.J., stacks its selection on a narrow aisle platform. *(DSN photo)*

Although he has cut back 15% on total dollars spent for the category in order to minimize overstocks, Finch foresees good movement in his four-sku Murray selection: "Every four years we see a sales jump, and the last surge was in spring 1978."

Margins will come from the two higher-end push mowers and Rose's single riding entry, an 11h.p. $977 Murray model. Margins on the $107.97 ($94 advertised) promotional model average 15%, even with a shipping advantage that has Rose's own trucks transporting the merchandise according to unit movement dictated by the store's selling patterns.

Margins average 22% to 24% on the remaining three mowers.

Mower sales at Murphy's Mart have been "better than anticipated, with stores turning in early reorder requests," according to a spokesman.

Part of the strong reorder showing was attributed to a 30% drop in Murphy's Mart original order shipment, to 7,000 total units ordered chainwide.

"We're carrying the same number of sku's, but decided to cut back original shipments because of freight costs. It's cheaper for each store to reorder," said the spokesman. An average Murphy's Mart store usually sells 50-60 push and 12 riding units per season.

The only significant difference in the chain's mower mix for spring '82 is the absence of its low-end private label unit.

With an under-$100 price tag on its low-end model, Murphy's Mart joined a shrinking discounter list. In a recent broadsheet insert K mart advertised a single-blade 18-in. Black & Decker electric rotary mower for $89.99; Rose's will advertise its low-end at $94, and Pamida will sneak under the $100 mark with an ad price of $99.99 on its low-end Mastercraft model.

Among the chains that were unable to stay near the $100 mark was Caldor, which offered an electric Black & Decker mower at a regular price of $129.99.

Despite the late spring in the Midwest, Pamida buyer Vince Digilio predicted 1982 will be a good year. The buyer's six sku's are down two from last year.

Digilio's spring '82 selection features four sku's of Mastercraft push mowers ranging in price from $118 to $249, and two Dynamark riding mowers.

With the chain's stores ranging in size from 28,000 sq. ft. to 60,000 sq. ft., Digilio is forced to stack the mowers in a 24 to 30 running-foot aisle, depending on the unit's size. "We're doing the best we can under difficult space requirements," said the buyer.

TSS, Gee Bee Swelling Bathroom Vanity Mix

Discounters trying to build vanity sales are finding growth has become a matter of promotion.

K mart, for example, in a recent Detroit-area ad insert, promoted three sku's of bathroom vanities along with a wide selection of chain coupons for items both within and outside of bathroom/hardware.

The four-color spread promoted a 22-in. x 33-in. stainless steel, twin-bowl sink for $29.88, 12-in. x 12-in. floor tiles at 86¢ each and a tile-cutting knife for $1.47 (when purchased with a 70¢-off coupon) in addition to almost 60 "cents-off" coupons.

At Times Square Stores, where sales are "coming on strong," an expansion of the vanity category is now under way. The expansion is a result of a two-year program that will eventually increase total category sku's to 75 from eight to 10.

The program began in late April, with the chainwide completion scheduled for the next "six to nine months," according to a chain source.

The spokesman explained the chain's vanity success by saying, "a very large portion of our clientele has money, and they're not afraid to spend."

The spokesman added high mortgage rates also are contributing to vanities' solid sales performance. "People can't move, so they're forced to remodel their existing homes."

Gee Bee, Johnstown, Pa., is also planning to expand its vanity count. The chain had limited its stock mainly to 17- and 19-in. models, keeping one display unit on the sales floor and two backup units in the stockroom, ready to be taken away by customers.

A spokesman for Cook United termed vanity movement as "not bad, but nothing to write home about." The chain carries Commodore at the low end, but price points range from a $39.99 promotional unit up to a $165.99 high-end model.

In a recent Detroit-area ad insert, K mart featured chain coupons for a variety of hardware-related items, along with giving prominent space to a three-sku selection of bathroom vanities.

HARD LINES

By FRANK CAVALIERE

With the national economy showing only sporadic signs of recovery, 1982 sales projections for charcoal, gas and electric barbecues are for another record year, according to the Barbecue Industry Association.

The connection is that more people are finding it difficult to take an away-from-home vacation, so they are seeking to upgrade their at-home patio living.

Record 1982 sales projections come at the heels of a record 1981.

Estimates for 1980 and 1981 unit and dollar manufacturer sales for the three grill categories follow. All data is for the fiscal periods ending Aug. 31.

	1980		1981	
	Units	Dollars	Units	Dollars
Charcoal	10,158,304	112,531,961	10,229,045	122,582,391
Gas	1,587,420	162,435,925	1,737,351	183,476,221
Electric	99,190	3,871,550	109,220	4,829,638
TOTAL	11,844,914	278,839,436	12,075,616	310,888,250

Source: Barbecue Industry Association, Naperville, Ill.

Advertising/Promotion

NMRI

Fred Meyer Is Top Local-TV Spender

NEW YORK—The 1981 figures, just released by the Television Advertising Bureau of Advertising (TvB), show Fred Meyer jumping to the top of the charts as the discounter with the biggest local television ad expenditures in a single market.

In its home base of Portland, the chain's 45% increase in TV ad spending over 1980 put its TV budget close to $2 million. Fred Meyer's expenditures in Portland were slightly ahead of Gemco's and Zodys' in Los Angeles which ranked second and third respectively.

In 1980 the top local advertiser in a single market was FedMart in Los Angeles.

The TvB based its top 15 listing on data supplied by Broadcast Advertisers Reports. The BAR data is based on local television monitoring for one randomly selected week each month. The markets treated as exceptions are New York, Chicago and Los Angeles which are monitored full-time.

A spokesman for CB&S, Fred Meyer's in-house advertising agency, credits its more aggressive approach in going after TV co-op ad dollars for its surge in local spending last year.

The chain's co-op program, called the Ads Plus Program, was started about a year ago and is aimed specifically at beefing up co-op participation in both broadcast media.

The chain's spokesman noted, however, that despite its rise to the No. 1 rank in a single market, Fred Meyer's total advertising program is still overwhelmingly print-oriented. A goal of the Ads Plus Program is to increase the broadcast share. Broadcast ads now represent less than 10% of the total ad budget; most of that goes to television.

The TvB's listing of the top 15 also demonstrates, once again, the competitive heat among the Los Angeles discount chains. The big spending by Gemco, Zodys, FedMart and The Akron is a byproducts of this competition. The size of the market makes television an efficient medium for the chains.

Last year, Gemco and Zodys increased their TV spending in this market by 38% and 30% respectively. FedMart stayed in the top 15 even though its expenditures decreased by 5% in 1981 and 54% in 1980. The chain's $1.6 million outlay in 1981, still a big-budget program, was less than half the $3.7 million it spent in 1979.

The Akron's 1981 spending decreased by 34%; but 1981 followed a year in which TV ad dollars shot ahead by 312%.

In the New York Metropolitan Area, it is ironic that the biggest spender was Two Guys. The chain wasn't among the top 15 in 1980. Evidently, it took the advertising for its going-out-of-business sales in the area to put Two Guys on the top 15 chart.

Advertising Upped

Fortunoff's 74% increase in 1981 was largely due to its efforts to lure more affluent Manhattanites to its relatively new Fifth Avenue location.

Wal-Mart made the top 15 list two years running with its big TV budgets in the St. Louis and Dallas markets. The chain increased its TV spending in St. Louis by 74% in 1980; by 10% in 1981. In Dallas, TV spending jumped by 75% in 1980; by 26% in 1981.

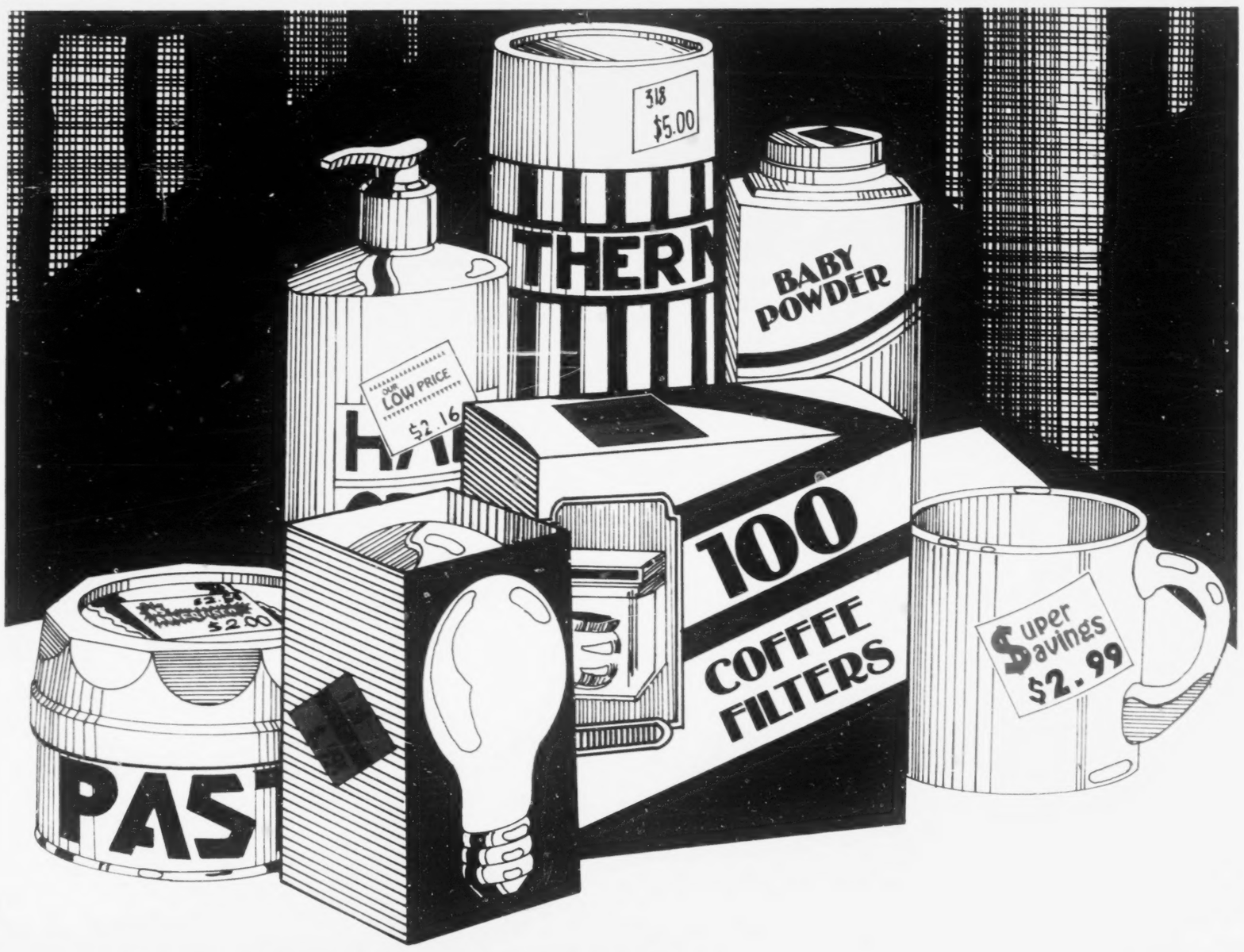
Roger McNitt, advertising coordinator for Wal-Mart, explained those big jumps: two years ago, very little TV advertising was

(Continued on page 158)

Top 15 Discount Chains: Local TV Advertisers in a Single Market*

Chain	Market	1979	1980	1981	% Change 1980-81	1981 Ranking
Fred Meyer	Portland	$1,172,000	$1,336,800	$1,932,800	+45	1
Gemco	Los Angeles	1,406.300	1,381,100	1,909,600	+38	2
Zodys	Los Angeles	1,334,800	1,371,600	1,786,400	+30	3
FedMart	Los Angeles	3,674,200	1,680,400	1,591,700	− 5	4
The Akron	Los Angeles	349,700	1,439,400	945,500	−34	15
Two Guys	New York	2,234,000	1,233,300	1,337,600	+ 8	5
Fortunoff	New York	—	589,700	1,025,500	+74	13
Wal-Mart	St. Louis	638,200	1,237,700	1,367,400	+10	6
Richway	Atlanta	1,189,100	1,251,100	1,325,600	+ 6	7
Wal-Mart	Dallas	593,500	1,040,900	1,315,300	+26	8
Gemco	San Francisco	—	870,400	1,174,800	+35	9
Lechmere	Boston	—	690,800	1,164,800	+69	10
Marshalls	Boston	—	724,500	1,036,400	+43	12
Bradlees	Boston	—	548,800	973,800	+77	14
Venture	Chicago	—	635,200	1,161,500	+83	11

*National chains (K mart and Woolco, for example) aren't included. Most co-op activity is credited by BAR to the manufacturer and not to the chain advertisers.
Source: Television Bureau of Advertising based on Broadcast Advertisers Reports (BAR) figures.



WHERE ARE THE BARGAINS?

Your cost-conscious customers know.

Monarch promotional labels create an atmosphere of bargains in your store. Boldly colored and uniquely designed, they focus customer attention on the items you want to move.

You can spotlight special deals . . . promote everyday merchandise — that is often bargain-priced, but not reduced. Monarch promotional labels help build a value image for your store — while increasing merchandise movement.

You know a good buy and so do your customers. Be sure to promote your value-plus merchandise with attention-getting Monarch promo labels. They'll direct your customers to the bargains. For more information, write Monarch Marking, Dept. #941, P.O. Box #608, Dayton, Ohio 45401.

CALL TOLL FREE: 800-543-6650
(In Ohio, call 800-762-6600)
Phone lines open 7 A.M. 'til Midnight, Eastern Time, Monday thru Friday.

Monarch Marking
A Pitney Bowes Company

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GET READY FOR
SUMMER
SALE
Soak up more sunshine in Finkel Take-It-Easy® Flexaire® lawn furniture. 20.00 to 40.00 off!
64.99 149.99

Bradlees Goes on Location To Shoot Upscale Circular

BRAINTREE, Mass.—Bradlees isn't shy about asserting it's after a leadership look in its circulars, its most important advertising medium.

The chain has been using a number of strategies, designed to give the circulars more of an upscale, department store type presentation, for awhile.

The latest of those strategies is to go on location for the production of its ads.

For instance, for its Get Ready For Summer Sale circular (above), Bradlees picked up a lawn furniture group, plus models and moved the whole works to a beach-front patio for shooting. The resulting on-location photography was complete with surf, sand and a couple enjoying it all with tall, cold drinks.

The same circular showed a redwood patio furniture group, with a family enjoying it at yet another location, a grassy lake-front lawn.

Mrs. B.—She Speaks Well For Bradlees

(Continued from page 113)

"institutional strip."

The strip, with a picture of Mrs. B., appears across the top of the page and her message usually relates to the merchandise featured on the page.

For example, a recent strip topping an outdoor furniture sale showed Mrs. B. on the phone, inferring a customer was on the line. Mrs. B. said: "My kind of yard sale. Just look at what's on sale this week to make your yard and patio, lawn and garden ready for outdoor living. . . . My down-to-earth prices will really help you out."

Last fall Bradlees also began using Mrs. B. more heavily in point-of-purchase displays. This includes large full-color photo posters hung from the ceiling and depicting Mrs. B. in a current theme ad: in an arbor of flowers for Mother's Day.

The chain's use of Mrs. B. to create a dialog with customers has evidently worked so well that Mrs. B. recieves mail from customers. Bradlees' intends to take advantage of these letters by using them in future institutional strips.

"We're going to start using these letters to create a column for Mrs. B. in the strips. They will include the customer's letter and Mrs. B's answer," said Gelfand.

Bradlees has other plans for Mrs. B. She has been on radio, TV and in print. Her picture and her voice are omnipresent at Bradlees. All that's been missing is Mrs. B. herself.

Bradlees intends to change that. Mrs. B. is an actress with a busy schedule (Bradlees conceals her identity). She will begin making personal appearances at the stores. The chain is currently planning Mrs. B.'s debut at Bradlees' opening in the Richmond market in August.

Fred Meyer Top Single-Market, Local-TV Spender

(Continued from page 116)

done in either of those markets. At that time, the chain established a goal of reaching 250 Gross Rating Points, in its big-city markets of Dallas, St. Louis and Kansas City.

Having reached this goal, McNitt characterized the 1981 increases as "normal growth in advertising as a percentage of sales."

In 1980 none of the Boston chains made it to the top 15 list.

The 1981 list is different and shows Lechmere, Marshalls and Bradlees virtually neck-and-neck in TV spending in that market. All three chains chalked up big increases in 1981. Bradlees increased its TV budget by 77%; Lechmere by 69%, and Marshalls by 43%.

Increased Advertising

Fred Gelfand, vice president, director of advertising, for Bradlees, said the chain has been increasing its use of broadcast media in all markets. But the big jump in TV spending in Boston was a direct result of the campaign staged after the renovation of the Boston stores.

Missing from the 1981 top 15 list is Target in the Minneapolis, Denver and Dallas markets. In those markets in 1980, Target ranked 10, 11 and 12. The 1980 spending which put Target on the chart was attributed to its support of new store openings in Denver and Dallas. In Minneapolis the big 1980 TV budget was due to a local newspaper strike.

Gemco/Memco Prototype

(Continued from page 85)

creased for the year ended Jan. 31, 1982, Gemco/Memco increased sales but declined in pretax earnings.

Lucky sales were up 11% for the year, to $7.2 billion from the year before's $6.5 billion. Net earnings grew by 6%, to $95.5 million.

Sales at Gemco/Memco grew by 12.3% for the year, to $1.87 billion from $1.67 billion the year before. In the fourth quarter, sales grew by 14.3%.

Earnings (pretax) at Gemco/Memco remained virtually static during the fourth quarter last year, at $23.2 million compared to $23.4 million the year before. For the entire year, pretax earnings fell nearly 25%. Pretax earnings dropped from $41.7 million for the year ended January 1981, to $31.4 million for the year ended January 1982, a 24.7% decline.

The 85 Gemco/Memco stores represent 30% of total corporate volume, and 19% of pretax earnings at Lucky.

Target Is Adding Three States in 1982

(Continued from page 81)

tucky and Illinois in late July. With the remakes complete, greater profitability is expected from the Ayr-Way takeovers this year.

Andres said companywide inventories were higher than planned at the close of the fiscal year, though "part of the increase is due to a build-up of basic inventory items to stock 40 former Ayr-Way stores converted to Target stores during the year."

Target contributed 41.6% of Dayton Hudson's volume in 1981.

Executive changes during 1981 included the elevation of Gerald Kanter late in the year from senior vp and gmm of soft lines to executive vp of marketing. B. Robert Floum and Gilbert Wachsman were each given the title of senior vp, gmm. Floum will oversee soft lines, while Wachsman will be responsible for electronics, sporting goods, hardware and automotive.

Sonja Larsen was made a senior vp, advertising and sales promotion.

The changes were made in the wake of a senior executive exodus to Montgomery Ward and Jefferson/Ward. Stephen Pistner, former Dayton Hudson president, has taken over the chairman's office at Ward.

In one of its merchandising changes made over the past year, Target pulled the pharmacy operations out of 44 of its stores due to lack of customer use. It continues to operate the departments in its hometown.

K mart Raises Ad Outlay

(Continued from page 114)

the top local television advertisers, spending some $22.8 million, according to figures developed by the Television Bureau of Advertising (TvB). This was an increase of 27% from local television spending the year before of $17.9 million, and more than doubled local TV expenditures by Sears in 1981. Sears spent $11.1 million in local TV advertising in 1981, according to the TvB figures.

Advertising Upped

In network television, K mart spent $11.8 million during 1981, compared to only $5.1 million the year before, an increase of 131%. Sears, in comparison, spent $73.2 million on network ads in 1981, according to the TvB. The totals don't include all co-op advertising, which is often credited to the manufacturer.

K mart's total 1981 TV expenditures were $34.2 million, according to TvB records. This represented a 51% increase from year-before spending of $22.6 million.

Fisher to Give PAC's Goals

SAN DIEGO—Jamesway chairman Herb Fisher, chairman of NMRI's political action committee (PAC), will give a presentation of the group's goals for the 1982 elections on May 17 at the convention.

The committee raised over $16,000 for the 1980 elections and contributed to 25 individual candidates.

Woolco Will Get Own Buyers, Management

(Continued from page 79)

worth corporate volume was ahead a scant 0.6% in February. Domestic sales gained 1.4% in March.

Commenting on ongoing programs at Woolco, Allbright said subleasing space in oversize stores, which has reduced floor space by some 20% to 25% in those stores, has not affected total sales. "Rather, sales per square foot have increased in those stores," he said.

Allbright also said Woolco's newest prototype design, pioneered in East Brunswick, N.J., has been a success. The New Jersey unit has achieved sales increases in excess of 20% during the past seven months, and four other stores opened in that format outperform other Woolco units.

Companywide, F. W. Woolworth is redeploying its assets to emphasize growth of its specialty stores. They accounted for 23% of capital expenditures in 1977, 34% in 1981, and will be 40% by 1985. The specialty stores, which include Kinney shoe stores, Footlocker sportswear and J. Brannam apparel stores, produced 19% of the company's volume in 1981 but 27% of its operating profit.

Specialty store sales increased 13% in 1981, compared to general merchandise sales which fell 1%.

ADG's Net Hoisted by Caldor

(Continued from page 85)

Lindsay and Curr department store division, will report to Bennett, who remains as chairman and ceo.

The acquisition hasn't hampered Caldor's store expansion plans.

The chain clocked a record 11 openings in 1981, and plans to grow by 10 more units by year's end 1982.

The chain entered New Jersey for the first time last year, opening in four former Korvettes sites in Paramus, Watchung, West Orange and Woodbridge. The Paramus store set a new track record for the largest grand opening in the company's history, according to chain reports.

Advertising/Promotion

NMRI

Television Advertising by the "Big Four"

Chain	1980 Network	1980 Local Spot	1980 Total	1981 Network	1981 Local Spot	1981 Total	% Change 1980-81 Total
Sears	$69,212,800	$13,780,800	$82,993,600	$73,204,700	$ 9,192,700	$82,993,600	– 0.7
Penney	18,579,100	10,868,400	29,447,500	25,555,900	10,311,700	35,867,600	+21.8
K mart	5,060,100	17,582,500	22,642,600	11,800,100	22,349,500	34,149,600	+50.8
Ward	484,300	23,322,500	23,806,800	121,800	20,612,200	20,734,000	–12.9

Source: Television Bureau of Advertising based on Broadcast Advertisers Reports' monitoring of 75 markets.
Note: Most co-op activity is credited to the manufacturer and not included in the above local data.

Four Biggies' TV Ad Budgets in 1981: K mart, Penney Up; Sears, Ward Down

NEW YORK—Four of the country's top retailers had totally different television advertising strategies last year, judging by the figures just issued by the Television Bureau of Advertising.

K mart and J. C. Penney increased their total TV ad budgets; Sears and Montgomery Ward both pulled back.

K mart, the country's top discount chain and second-largest retailer, increased its television advertising the most dramatically of the four. The $16.5 billion chain spent 50.8% more in 1981 than 1980. Its increases were substantial in both network and local spot ads.

K mart's $34.1 million in television expenditures represented 9% of its total 1981 advertising budget of $380 million. The total ad budget last year amounted to 2.33% of sales.

Sears, the country's largest retailer with sales of $27.4 billion last year, cut its total television advertising level. The dip was a small one, 0.7% compared to 1980.

A closer look at Sears' television advertising approach in 1981 shows the retailer skewed its spending toward network advertising, at the expense of local ads.

On the network side, Sears spent nearly $4 million more than in 1980. Its local spending was decreased by some $4.6 million.

Sears' total remained high enough to keep it among the country's top network TV advertisers. Sears did, in fact, rank No. 10 in 1981, just behind giant Lever Bros.

No. 3 in volume, Penney also ranked No. 3 in television advertising last year. The $11.9 billion retail chain spent 21.8% more on TV in 1981 for a total of $35.9 million.

Like Sears, Penney put the biggest part of that increase into network advertising. Penney's network increase amounted to close to $7 million., In local television ads, Penney's spending declined slightly, by $557,000.

Penney's better-than-$25 million in network advertising was high enough to keep it on the list of the country's top 100 network advertisers; Penney ranked No. 60.

Ward's television spending in 1981 dropped by 12.9% compared to 1980.

Top 15 Discount Chains In Local Spot TV Expenditures

Chain	1980	1981	% Change
Wal-Mart	$5,926,600	$7,327,300	+23.6
Target	5,029,200	6,313,600	+25.5
Zayre	3,566,100	4,821,300	+35.1
Gemco	4,148,600	4,337,800	+ 4.5
T.G. & Y.	3,083,000	4,115,400	+33.5
Hills	2,399,300	3,221,400	+34.2
FedMart	2,750,400	2,794,400	+ 1.5
Fred Meyer	1,828,300	2,637,900	+44.3
Venture	1,447,400	2,302,700	+59.0
Jefferson/Ward	1,173,700	2,185,800	+86.2
Zodys	1,455,800	2,103,000	+44.4
Richway	2,062,300	1,915,200	– 7.1
Meijer's	1,382,400	1,499,000	+ 8.4
Woolco	2,634,700	1,431,700	–45.6
Rose's	1,039,100	1,246,600	+20.0

Source: Television Bureau of Advertising based on Broadcast Advertisers Reports' monitoring of 75 markets.
Note: Most co-op activity is credited to the manufacturer and not included in the above local data.

Linage Soars In Newspapers

NEW YORK—The Newspaper Advertising Bureau just announced that advertising expenditures in newspapers reached $1.3 billion in January 1982.

This figure represented an increase of 15.2% over January 1981.

Retail advertising, the largest newspaper advertising category, showed a 13.8% increase, reaching $665.4 million.

National advertising, consistently the fastest-growing newspaper category for the past three years, led in percentage increases in January with a 34.6% gain to $252 million.

Those estimates of newspaper advertising expenditures are based on Media Records linage reports from 54 cities in addition to other data.

Kip®.
The orthodontic pacifier that's taking Nuk® apart.

Nuk is the best selling orthodontic pacifier. But it has a weakness:

As the caution on the back of the Nuk package points out, it should always be tested to be sure that the nipple portion doesn't separate.

Mothers and doctors don't always read packages. But they do read magazines like *American Baby* and *Pediatrics.* And in the coming months, they'll be seeing an ad that exposes Nuk's weakness. And points out Kip's strengths.

Kip is the new one-piece orthodontic pacifier from The First Years. Since it can't come apart, it's safer for babies.

Which leads us to one final thought:

If mothers are going to be turning to Kip, shouldn't you?

the first years®
201 products for children, designed by mothers.
© 1982 Kiddie Products, Inc., One Kiddie Drive, Avon, MA 02322, toll-free: 1-800-225-0382

One thing separates a Kip® from a Nuk®. A Kip can't separate.

A piece of a Nuk.

The Nuk Orthodontic Exerciser is a fine product. But as the Nuk people themselves warn on the back of their package, you should always test it to be sure that the nipple portion doesn't separate.

Another piece.

At The First Years, safety is a virtual obsession. (Our Mothers' Council wouldn't have it any other way.) So when we designed *our* orthodontic pacifier, we did things differently.

The Kip Orthodontic Pacifier. One-piece for safety, all-soft for comfort.

To make Kip totally safe, we made it in one piece. And safety is just one of its virtues.

Kip's super-soft vinyl stays soft. Without getting sticky the way latex can.

Catalog Showroom Census: Pp. 6-15

Specialty Discount Stores: P. 16

22-92894-62 11P90 D
10154994? P240750 DEC82
CONGRESSIONAL SOURCE INFO
SRI ACQUISITIONS
4520 EAST/WEST HIGHWAY
BETHESDA MD 20814

Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

VOL. 21, NO. 11 | Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman Inc. | $2 a copy | MAY 31, 1982

Discounters Evaluate Increasing Requests For Philanthropy $$

Nationwide DSN Report

Hamstrung by the recession and Reagan Administration cutbacks, fund raisers representing a wide range of institutions and programs have been turning to discounters for money.

But the industry's philanthropic gestures are fueled directly by up to 5% of pretax earnings at chains or their parent companies—and the economy took its toll there, too, last year.

"Our giving is at the mercy of the profit cycle," said one chain executive, "and our company finished the year in the red."

While not everyone lost money last year, even those who were profitable expect their budgets to be strained by a wave of increased requests.

They say they either will have to turn more people away this year, or make smaller contributions to favored programs to stretch their budgets.

"There's no way the private sector is going to step in and replace what the Government has eliminated," said a spokesman at Bradlees' parent company, The Stop & Shop Companies.

The chain and its parent have not only been approached by new organizations, they've also been asked to support more traditional fund seekers in new

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Reports Track Costs, Operating Income

(Add 000,000 to dollar figures.)

Chain	Sales* Last Fiscal Year	Sales* % Change From Prev. Fiscal Yr.	Costs* Last Fiscal Year	Cost as % of Sales* Last Fiscal Year	Cost as % of Sales* Prev. Fiscal Year	Cost as % of Sales* Five Years Ago	Operating Income* Last Fiscal Year	Operating Income* % Change From Prev. Fiscal Yr.	Operating Income* As % of Sales Last Fiscal Yr.
K mart	$16,527.0	+16.4	$16,400.0	99.2	97.9	95.6	$323.0	−36.0	2.0
Wal-Mart	2,445.0	+48.8	2,313.9	94.6	94.7	94.7	148.7	+49.8	6.1
Woolco	2,145.0	+ 5.8	N/A	N/A	N/A	N/A	(19.0)	(−)	(−)
Target	2,054.3	+34.1	N/A	N/A	N/A	N/A	108.7	+19.3	5.3
Zayre	1,797.1	+12.7	1,759.5	97.9	98.2	98.3	37.6	+29.7	2.1
Venture	611.5	+ 9.0	N/A	N/A	N/A	N/A	16.8	+41.2	2.8
Roses	594.8	+13.0	579.9	97.5	97.9	96.1	14.9	+33.9	2.5
Jamesway	296.2	+ 8.4	289.5	97.7	97.5	94.2	6.8	+ 1.8	2.3
Magic Mart	130.7	+ 7.1	132.6	101.5	103.7	98.8	(260.0)	(−)	(−)

**Corporate figures. ( ) Loss. N/A—Not available.* *Source: DSN research*

Cost = Cost of goods + selling, general and administrative (SGA) expenses + interest.

Discounters' annual reports revealed some success stories in keeping costs under control. But for industry leader K mart, costs as a percentage of sales increased to above the 99% mark.

K mart Tests Food/Fun Combo

ST. LOUIS—Abra K Dabra, and K mart has a new store.

Two, in fact: 14,000 sq. ft. experimental fast-food and family entertainment restaurants.

The stores will open in mid-June in closed supermarkets adjacent to K marts in Wood River, Ill., and Florissant, Mo. They will be similar to the combined fast-food and entertainment units operated by such chains as Pizza Time Theatre and Showbiz Pizza Place.

Sites for additional Abra K Dabras have already been selected, but expansion will depend on the success of the two test stores.

K mart feels there "is a growing trend to families dining out together and there is a need for food and entertainment restaurants that appeal to all ages," a company spokesman said. The units will be operated by K mart, not its Furr's Cafeteria division.

The combined units will offer fast foods, such as pizza, in one section of the store; another area will have arcade games and a stage that will show skits using computer controlled characters.

Wal-Mart's Cost-to-Sales Ratio Improves But K mart's Worsens

Nationwide DSN Report

A few chains like Wal-Mart and Zayre managed to trim the edge off costs to add to their profitability last year.

But, things were not so rosy elsewhere in the industry. Others, like giant K mart, found costs soaring.

In an analysis of chain's annual reports, *DSN* found K mart's costs now exceed 99% of sales.

The Troy, Mich.-based retailer, which opened 171 new units to build its base to 2,055 stores in 1981, saw costs increase 17.6% to $16.4 billion from $13.9 billion during the year. Costs as a percentage of K mart's $16.5 billion sales rose to 99.2% from 97.9%. At the same time, operating income, at $323 million, or 2.0% of sales, plummeted 36% from the previous year.

K mart's margins suffer. Separate story, p. 33.

Wal-Mart and Zayre did a much better job.

Wal-Mart, opening 69 new units and remodeling many of its 92 Kuhn's Big K takeovers, had costs increase 13.8% to $2.3 billion. But on a 40% increase in sales to $2.4 billion, costs as a percentage of sales decreased to 94.6% from 94.7%.

Wal-Mart also had a 49.8% increase in operating income, hitting $148 million, or 6.1% of sales.

Zayre, with $1.8 billion in sales, reduced costs to 97.9% of sales from 98.2%. Costs totaled $2.3 million for the 258-unit chain, an increase of 13.8% over the previous year's $1.5 million.

Zayre's performance came as the chain aggressively continued to remodel its stores, renovating 34 units during the year.

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New Laws Spur Kids' Car Seat Boom

By MARILYN NEERMAN

While the entire juvenile furniture category is moving ahead, most discounters expect to make their biggest killing on safety.

Thanks to the spate of new child safety-seat laws already passed in nine states, and in the proposal stage in another 27, car seats have become the undisputed sales leader in the category. At retail prices of $40-$60, buyers are obviously not complaining.

Vito Dichiara, buyer for S. E. Nichols, described car-seat sales as "booming," particularly in the chain's New York stores.

With the New York State law mandating car seats for all children under four, effective April 1, 1982, Dichiara said he was hardly able to keep the goods in stock throughout the first quarter.

Joan Bortnick, buyer for cat-

(Continued on page 32)

Sales of $40-$50 car seats have been ignited nationwide thanks to a wave of safety regulations requiring their use. Here a customer picks one at Caldor, Milford, Conn.

DSN • DSN • DSN • DSN • DSN

Digest

May 31, 1982

CATALOG SHOWROOM CENSUS

• **The growth rate of the catalog showroom industry is projected** to slow down to 15% this year, producing $7.3 billion. (pp. 6-15)

HARDWARE

• **Discounters, No. 1 in total fan sales, eye a rising share in the** snowballing ceiling-fan market. (p. 17)

HOUSEWARES

• **Microwave cookware is generating mixed results as chains** search for a winning approach. (p. 21)

H&BA

• **Natural products are pepping up vitamin sales, as discounters** find consumers willing to go for higher price points. (p. 23)

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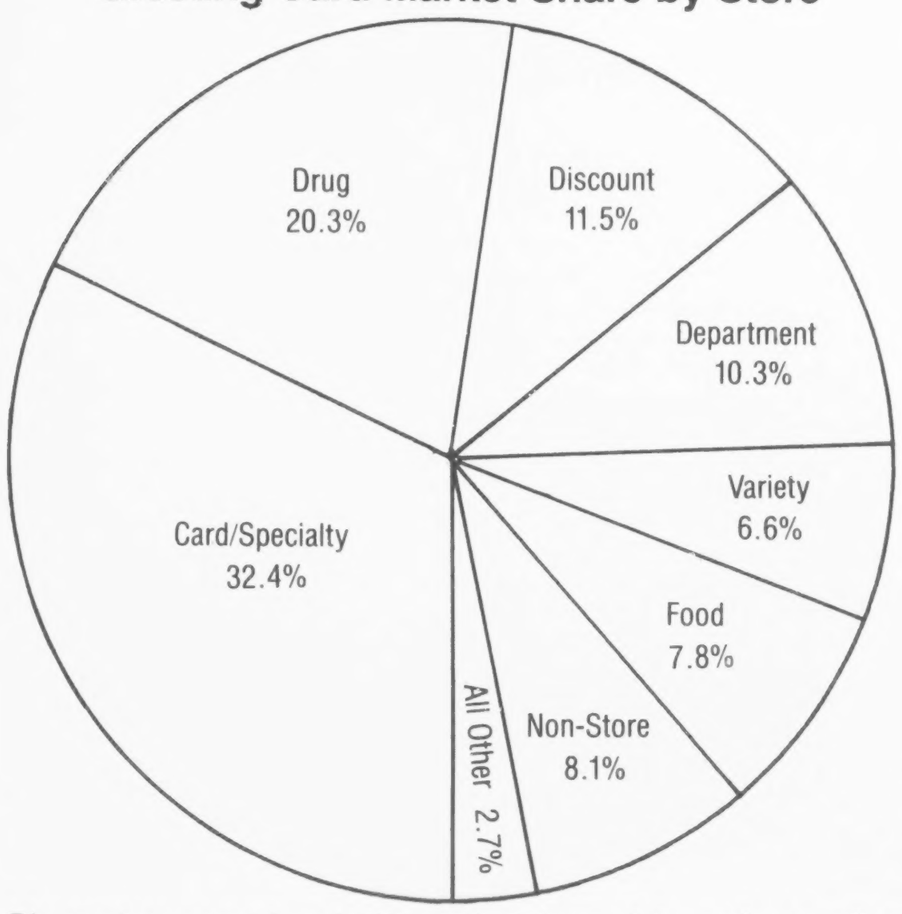
Greeting Card Market Share by Store



Discounters earned an 11.5% market share of the entire greeting card market in 1980.

**Source: National Association of Greeting Card Publishers, 1980. (Most recent figures available.)*

FTC: Phony Price-Saving Ads Shouldn't Get an Automatic KO

WASHINGTON—The Federal ground rules governing discount store price advertising practices will undergo a major shift if Congress approves new Reagan Administration proposed legislation redefining "unfair" and "deceptive" ads.

The proposal, outlined by Federal Trade Commission chairman James Miller III, would prohibit FTC regulators from filing false advertising charges against retailers that use questionable or even untrue reference prices in ads for sale merchandise.

Current FTC enforcement policy prohibits retailers from using phony reference prices on grounds such tactics deceive consumers by exaggerating the "savings" on sale merchandise.

In advocating legislation to effectively legalize these retail ad practices in the future, both Miller and FTC Consumer Protection Bureau director Timothy Muris argued the agency's enforcement should be limited to cases where deception produces material consumer injury.

The "fictitious pricing cases" which FTC "has most often pursued . . . against discounters" make it "more difficult for discount outlets to convey their advantages to consumers," Muris reasoned. By challenging these fictitious reference prices "the commission has surely not benefited consumers, and may have injured them," he said.

Significantly, the Reagan Administration's new attack on present FTC efforts to police discount store industry price ads is part of a much broader plan designed to sharply restrict the commission's overall advertising enforcement program.

The agency's authority over advertising practices stems from provisions of the Federal FTC Act prohibiting "unfair or deceptive acts or practices in commerce."

According to the Reaganites, FTC regulators appointed by previous Administrations have adopted an overly broad definition of what constitutes an unfair or deceptive practice, and as a result the agency has squandered its resources on questionable cases that should never have been prosecuted.

Their solution: legislation which would be binding on FTC officials appointed by future Administrations to force the agency to concentrate on clear-cut advertising violations.

In testifying before the Senate Commerce Committee, Miller argued "unavoidable consumer injury is, and should be, the crucial element in finding that an act or practice is unfair."

To impose this requirement on the agency, he asked Congress for a new statutory definition of unfair trade practices which would prevent FTC from taking action except in cases involving "substantial" and "unavoidable" harm to consumers. Even then, Miller maintained unfair advertising should go unchallenged by FTC unless the injury from these ads outweighs the potential benefits to consumers from such practices.

"The commission should be mindful a given act or practice may benefit some consumers while harming others. . . ."—*James Miller II, chairman, FTC*

"The commission should be mindful a given act or practice may benefit some consumers while harming others and not jump to the conclusion an act or practice is unlawful just because some harm is associated with it," he told Congress. "Moreover, the commission

(Continued on page 29)

An Even Stronger 1982 Is In the (Greeting) Cards

DSN Market Outlook

Most discounters were greeted with 20%-or-better increases in greeting card sales in 1981.

An ill-timed Christmas postage hike of 33% took its toll on box card sales. Chains reported as much as 35% decreases in the category as consumers cut back on their card sending because of the higher costs. The effect was partially soothed, however, by increased counter card sales.

Throughout the first quarter, buyers have been pleased by brisker than normal sales of seasonal and everyday cards. That trend, in conjunction with reworked Christmas programs, will bring them a stronger performance in 1982, they believe.

To achieve better sales this year, discounters—who currently own an estimated 11.5% of the $2.4 billion greeting card market—are shifting orders from box cards to counter cards; trading up price points, and giving more emphasis to the growing contemporary/studio card segment of the market.

There is hope that consumer reaction to the postage increase will have been lessened by the next Christmas selling season.

"Everyday and seasonal counter sales have been better than average thus far this year," commented Woolco's buyer James Latimer. "Box cards were soft, but I don't think they will remain so. Because of the postage hike, box cards are in a similar position to what gasoline was a few years ago, when prices rose from 39¢ to $1.39 per gallon. . . . People eventually go back to their old

(Continued on page 32)

Discount Patron More Sensitive to Apparel Imports

COLUMBIA, Mo.—Discount store shoppers, compared to their department store counterparts, are more likely to notice whether apparel is domestically or foreign-made.

The discount shopper is also more sensitive to the effect imports have on American jobs.

This is part of the consumer profile painted by Dr. Kitty Dickerson, associate professor and chairman of the department of clothing and textiles at the University of Missouri, in a recent interview with *Discount Store News*.

Dickerson's observations were made in conjunction with the release of her study of consumer views of import clothing. The study polled 1,350 United States consumers in a cross-section of communities, income levels and age groups.

The study was funded by the U.S. Department of Agriculture and the Virginia Polytechnic Institute, where Dickerson was a faculty member when the study was initiated.

Dickerson said the study found middle- and low-income consumers more frequently empathized with the United States apparel industry workers' plight, believing that the purchase of imports in the long run isn't a savings if it costs unemployment and manufacturer failure.

"Although discount shoppers didn't necessarily have a negative reaction to imported apparel's quality, they were more aware of their purchases being imports, and more concerned about the import issue."

Meanwhile, Dickerson said department store shoppers seemed unaware that expensive brand names were being produced in the same foreign countries and factories as non-branded imported apparel.

"We tend to think department store shoppers are more aware of their purchases, but our study indicated that they—unlike discount shoppers—put a great deal more faith into the store's selection of goods for them."

"Consumers are much more sophisticated in their attitudes about the import issue than was previously believed," Dickerson noted. "Part of the reason I did the study was because there were so many opinions about consumers' perceptions."

Dickerson noted while retailers and economists generally believe consumers view imports as less expensive than domestic-made clothing, consumers are also aware that retailers are taking higher markups on imported goods.

The study found that 59% of consumers surveyed said it was important to buy United

(Continued on page 32)

Seeherman: Venture Solves Out-of-Stock Problem in Basics

Julian Seeherman, 53, has had a long career in retailing. He spent 23 years with Abraham & Straus, Federated's Brooklyn, N.Y., department store chain, working his way up the merchandising side of the corporate ladder to become executive vice president. In 1977 he joined the May Co. as president and ceo of its catalog showroom operation, Consumers Distributing, and when that division was sold off he moved over to May's discount operation, Venture Stores, as vice chairman. In February of this year, he was named president of the chain. DSN *recently interviewed Seeherman in his St. Louis office.*

DSN: In the past few years, there have been a couple of problem areas regularly mentioned in connection with Venture. One was out-of-stocks, the other was personnel turnover. Why was there so much turnover?

SEEHERMAN: We didn't have any Valentine's Day Massacre. I think there's turnover whenever there's a change in management. Each new person sets the standards by which to run the organization. When you set those parameters that's a signal to the people who are there that they have to change. If they're not willing or capable of changing they have to leave because they won't do well.

I think if there was a lot of turnover at Venture, it was because people decided they virtually were unable to function in an organization that asked things of them they were either unwilling or incapable of doing.

Ironically, in most businesses, you don't fire many people. I've never fired a lot of people. But people do understand that if they can't cope, they better leave because they won't do well.

DSN: The field response to the changes at headquarters appears to be very positive. Who did you bring in to make the store managers so happy? What kind of systems did they bring with them or create?

SEEHERMAN: I don't think it was new systems. I think people throughout the company started to understand how to use what we had better. I think now they're getting support for what's important.

(Continued on page 32)

"I love to go to shows. . . . It's hard to lead people if they're talking about things you've never heard of or seen."—Julian Seeherman, president, Venture Stores. *(DSN photo)*

CATALOG SHOWROOM CENSUS

Economy Slows Catalogers' Growth Rate

The recession is slowing the growth of the catalog showroom industry.

The result is that the industry's fast-track growth will hit about $7.3 billion in sales this year, according to *DSN* estimates, vs. $6.3 billion in 1981.

Dominating the industry's growth this year will be the $6.1 billion generated by the top 44 chains (see chart), each of which are projected to have $15 million or more in volume in their current fiscal year. Last year they did $5.2 billion. In past years the total industry volume has grown at better than 20% annually, but the rate this year will be only 15%.

The 44 leading catalogers, which account for about 80% of the industry's total volume, will register an 18.5% gain in sales as they add a total of about 50 stores to end the year with just under 1,000.

The industry's slowed growth in the face of the current major recession is evident from the fewer companies and showrooms contained in the 1982 *Business Guides* listing of cataloger showrooms. That compilation has 317 companies with 1,583 showrooms, down from 356 firms and 1,597 units in the previous guide. (*DSN* uses *Business Guides* as its basic listing of the industry.)

The industry's troubles aren't different from the problems catalogers faced in the 1973-74 recession, according to a study now being completed by Lehman Brothers Kuhn Loeb.

That study covered 1,478 showrooms in 1981, an 8.9% increase in units from 1,356. It projected sales from those stores were $6,339,000,000, up 15% from $5,512,000,000 in 1980.

In 1973, the study noted, industry volume went up 48% as the number of stores increased 45%—both jumps reflecting the boom years of the early 1970's. But, in 1974 the gain in sales slid to 29% as unit growth increased only 22%. The following year there was only a 7.3% boost in store count as new showroom commitments had been made during the 1973-74 recession.

The other key criterion noted in the study was per-showroom volume gains. On that measurement, the 1973 figure was only a 3.1% increase, while the next year per-showroom volume was flat.

The current recession's impact is evident in a number of statistics.

The projected 997 showrooms the 44 chains will have at the end of the year represent a net gain of only 36 units from the 961 at the start of 1982 as the 53 new stores scheduled to be opened will be offset by 17 closings at just two chains—Century, which shut 11 earlier this year, and Naum which will be locking six.

The 1982 fiscal year sales for those two catalogers include volume from the closed showrooms—and a similar situation applies to a number of other operators such as Sam Solomon which shut showrooms at some point during 1981 and still includes sales from those units in the total volume.

The leading catalogers have also been impacted, with the projected sales for the top 10 publicly held chains showing a 13% increase this year. Those companies averaged more than 25% increases during the 1975-80 period.

Chain projections indicate four of the 10 will post a decline—or have flat sales at best—this year, and two troubled companies—Basco and Sam Solomon—at presstime were due to be acquired by Best Products and Service Merchandise, respectively.

A number of the top 44 ended their fiscal year with volume figures under the gains projected by trade observers. Consumers Distributing (United States), for example, was flat, while Modern Merchandising's showroom division fell behind projections, partly due to the sale of the Standard Sales operation in Florida to H. J. Wilson.

Looking ahead, industry executives admit that sales gains being projected for this year hinge on the recession bottoming out and an upturn starting by the last quarter, the period when catalogers produce as much as 40% of their sales.

$6.1 Billion Year Is Projected For 44 Top Catalogers

Chain (Hq. and coordinator)	Showroom $ sales (millions): Estimated current fiscal year	Showroom $ sales (millions): Last completed fiscal year	$ Net profit (millions) last fiscal year	Showrooms: As of Jan. 1 1982	Showrooms: As of July 1 1982	Showrooms: As of Dec. 31 1982	Showrooms: To Be opened in 1983
Best Products (Va.)[A] (Creative)	1,280	772.7	20.5	100	100	103	3
Service Merchandise (Tenn.)[B] (Independent)	1,202	1,027.0	23.1	116	121	126	8
Modern Merchandising (Minn.)[C] (Creative)	730	681.8	23.8	71	72	76	4
H. J. Wilson (La.) (Independent)	490	402.9	12.7	70	72	77	5
Carlson Cos. (Iowa)[D] (Creative)	320	320.0	N.A.	77	77	71	0
Consumers Distributing (N.J.)[E] (Independent)	270	252.0	(1.3)	100	100	107	5
Gordon Jewelers (Tex.)[C] (Independent)	145	132.7	15.9	44	45	48	3
W. Bell (Md.) (Independent)	134	107.0	2.4	15	15	18	3
Basco (N.J.) (Creative)	132	130.7	(3.7)	19	19	19	0
Jewelcor (Pa.) (Jewelcor)	131	131.0	N.A.	26	26	26	0
Century (N.Y.) (Independent)	116	121.0	N.A.	55	44	44	0
L. Luria & Son (Fla.) (Mutual)	108	90.5	3.2	21	21	26	3
McDade & Co. (Ill.) (MAI)	97	95.0	N.A.	7	7	8	1
Sterling Jewelers (Tex.) (Paul Schultz)	75	70.0	N.A.	5	5	5	0
David Weis (Pa.) (MAI)	65	54.0	N.A.	9	9	10	2
Ellman's (Ga.) (Independent)	64	61.0	N.A.	7	7	7	1
Sam Solomon (S.C.) (MAI)	60	88.0	(N.A.)	7	7	7	0
O. G. Wilson (Tex.) (Paul Schultz)	57	55.0	N.A.	18	18	18	1
K's Merch. Mart (Ill.) (Creative)	55	50.0	N.A.	6	6	6	2
Brendles (N.C.) (MAI)	52	49.0	N.A.	13	13	14	1
E. H. Tepe (Ind.) (Creative)	44	42.0	N.A.	9	9	9	1
Dahlkemper's (Pa.) (Creative)	33	30.0	N.A.	6	6	6	1
Goldbro (Ala.) (Charter)	30	27.0	N.A.	5	5	5	0
Towers (N.J.) (Creative)	30	28.0	N.A.	7	7	8	1
Masters (Fla.) (Jewelcor)	28	26.5	N.A.	26	26	26	2
Alexander's (S.C.) (Charter)	26	21.0	N.A.	5	5	6	1
Fred Gattas (Tenn.) (MAI)	25	21.5	N.A.	5	6	6	1
Evans (Md.) (MAI)	25	22.0	N.A.	4	4	4	0
Key Distributors (Ga.) (Creative)	25	23.0	N.A.	8	8	8	1
Boardman's (N.Y.) (Independent)	24	22.5	N.A.	15	15	15	0
A. J. Foland (Mich.) (American)	23	21.0	N.A.	5	5	6	0
Hartman's (Calif.) (Independent)	22	20.0	N.A.	10	10	12	2
Present (N.Y.) (MAI)	22	20.0	N.A.	8	8	8	2
R&R (Mass.) (American)	22	21.0	N.A.	7	7	7	1
Brand Names (N.Y.) (Independent)	215	21.0	N.A.	12	12	12	0
Segall & Son (Ga.) (American)	20	18.0	N.A.	5	5	6	2
Arthur's (N.J.) (MAI)	17	15.0	N.A.	5	5	5	0
Top Brands (Mo.) (Paul Schultz)	16	15.0	N.A.	4	4	4	0
Wilkor (Fla.) (MAI)	16	15.0	N.A.	4	4	5	0
Witmark (Mich.) (Mutual)	15	14.0	N.A.	5	5	6	0
Wilbro (Ala.) (Charter)	15	14.0	N.A.	4	4	4	0
Wes Freedman (Pa.) (Charter)	15	14.0	N.A.	5	5	5	0
Jewel Mart (Ohio) (Paul Schultz)	15	14.0	N.A.	3	3	4	0
Value House (N.M.) (Mutual)	15	14.0	N.A.	4	4	4	0

Some figures are DSN estimates ( )—loss; N.A.—Not available

A—Doesn't include Basco *B—Doesn't include Sam Solomon* *C—Showroom division sales, operating income only*

D—Combined results for 52 Ardan, 9 MacDonald and 16 Naum showrooms; 6 Naum to close *E—United States sales, operating loss only; in Canadian dollars*

HARDWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	HAND TOOLS			
1	Stanley 10039 Mitey-Knife key chain	1,652	2.19	3,617.88
2	Sequatchie 36-in sledge hammer handle	720	4.99	3,592.80
3	Fuller 192-6 ½-in longnose plr	571	5.99	3,420.29
4	Dalton MFG. 2536 36-in tool bench rac	609	3.99	2,429.91
5	Stanley 11921 Hi duty Utl. blades	1,210	1.79	2,165.90
6	Sequatchie 36-in axe handle	336	5.99	2,012.64
7	Arrow T50 staple gun tacker	83	21.99	1,825.17
8	Fuller 1374 6 pc comb. wrench set	181	9.99	1,808.19
9	Stanley 62407 6-pc Thrifty SDS	357	4.99	1,781.43
10	Stanley 70081 21-in bow saw	200	8.49	1,698.00
11	Fuller 1473 6-pc metric O/E wrenches	186	8.49	1,579.14
12	Stanley 15352 14-in 1 pt back saw	180	8.29	1,492.20
13	Stanley 66801 6 pc Mag Tip SD	195	7.29	1,421.55
	SECURITY HARDWARE			
1	Scovill LW 5 Entrance Lockset Brass	1,190	15.99	19,028.10
2	Scovill V3211A deadbolt sgl brass	512	18.99	9,722.88
3	Scovill LW16 H duty entrance lockset	228	21.99	5,013.72
4	Scovill LW7 bed bath Lockset Brass	290	9.49	2,752.10
5	Parker 1303 single cyl deadlock	228	8.99	2,049.72
6	St. Marks 1302 dbl cyl deadlock	164	10.99	1,802.36
7	Scovill LW6 Passage Lockset Brass	200	8.49	1,698.00
8	Mstr Lock 1500D combination pdlk	384	4.19	1,608.96
9	St. Marks 1301 rim night Latch	230	6.99	1,607.70
10	Scovill V3221A deadbolt dbl brass	56	27.99	1,567.44
11	Ideal Sec 462883 chain door lock	200	5.45	1,090.00
12	Master Lock 3D 1.5-in Lam pdlk	172	5.99	1,030.28
13	Belwith 3402TP 19/16 Twin Pack	140	6.99	978.60

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	GLUES, LUBRICANTS & ADHESIVES			
1	G40BX 2-gr Krazy Glue	2,630	1.59	4,181.70
2	SG1X Super Glue 3-gr	3,000	1.19	3,570.00
3	6242P 1¾-oz Duco cement	840	1.19	999.60
4	401 6-oz acrylic caulk white	492	1.89	929.88
5	GE372 Silicone Seal white	252	3.49	879.48
6	Supl Super Glue 3-gr TU	564	1.49	840.36
7	391 3-in-1 Oil 3-oz can	552	1.49	822.48
8	8596 ¼-lb can plastic wood	408	1.99	811.92
9	203 Electric glue gun	64	11.99	767.36
10	Weldit cement 1½-oz	600	1.19	714.00
11	TPX5 E-POX-E glue clear 3	310	1.99	616.90
12	P612 Pliobond glue 3-oz	264	2.29	604.56
	HARDWARE			
1	Ideal Sec SK600 Tulip Knob latch	855	7.75	6,626.25
2	Closet 8021 18-in 3-tier rack	174	13.99	2,434.26
3	Amer Built. 2-in x 10-yd duct cloth	1,614	1.39	2,243.46
4	Aqua-Trol HO-100B Swag Hook brass	2,112	0.99	2,112.99
5	Amalgamated PP45 400-ft PP cotton twine	1,956	0.99	1,936.44
6	Closet Maid 1030 3-ft shelf white	174	10.99	1,912.26
7	Closet Maid 1040 4-ft shelf white	144	12.99	1,870.56
8	Ferum Co. 500 10x12-in shelf brkt. gr	1,704	0.99	1,686.96
9	Closet Maid 1020 2-ft shelf white	198	7.99	1,582.02
10	Closet Maid 8001 12-in 2 tier rack	186	8.29	1,541.94
11	Ideal Sec. SK98OAC Pushbutton latch	150	8.85	1,327.50
12	Ferum Co. 500 8x10-in shelf brkt gr	1,844	0.69	1,272.36

Source: Hardware Distributors, Secaucus, N.J. Figures cover March 1982.

Volume Up As Supplies Are Rebuilt

March sales were strong as retailers rebuilt inventory positions that are historically allowed to dwindle in January and February, according to Marvin Deneroff, executive vice president, Hardware Distributors, Secaucus, N.J.

PMA PRODUCT MOVEMENT AUDIT

Hardware Distributors, which services 350 stores including 141 discount stores in 20 states east of the Mississippi, supplied the accompanying product movement audits. They cover March 1982.

Hardware and related category sales were also boosted during the period by the large number of ads retailers ran during the period "from Washington's Birthday through Easter," Deneroff noted.

"More traffic was coming through the stores in March which is good for impulse items, which many of these products are," Deneroff noted.

Still, while sheer volume was up, buying trends that reflect the current economic malaise gripping the country were also evident.

In hand tools, for example, few items included in the top 15 listing carried price tags over $10.

"Our customers and the consumer are very price conscious," Deneroff explained. "We find they're more apt to buy a plier for $6 than for $9 today. That wasn't always the case."

Deneroff also finds the new, more cautious consumer attitude in something like sledge hammer replacement handles. Nearly 1,500 pieces of the item were sold during the month. Obviously, consumers are repairing rather than buying new tools, he said.

In the hardware audit, six of the top eight items were from Closet Maid.

"In the last year or two we have seen more and more retailers using Closet Maid items to build traffic," the distributor noted.

Otherwise in March the hardware audit reflects a basics-only business: "We sell tons of swag hooks, shelf brackets and the like during the period," he said.

The consumers urge to save money was also reflected in the glues, lubricants and adhesives category. "People are buying more and more glue because they simply don't want to buy new things," Deneroff noted.

Retailers are recognizing this and stocking the items in more than one place in the store.

The one category in March where consumers didn't keep a tight grip on their pocketbooks was security hardware.

"Everyone is security conscious," Deneroff said, describing the category as "one of the bright spots" in the entire hardware area.

The top seller on the audit reflects this. More than 9,000 Scovill locksets carrying an average retail price of $15.99 were sold during the month.

Second place went to an even higher-priced Scovill deadbolt. Its average retail price was $18.99.

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*(Product Movement Audit, August 1981)

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HEALTH & BEAUTY AIDS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	SANITARY NAPKINS AND TAMPONS			
1	Tampax Sup 40's	26,922	3.42	92,073
2	Tampax Orig Reg 40's	16,548	3.42	56,594
3	Tampax Slender Reg 40's	16,080	3.42	54,994
4	Tampax Sup Plus 40's	14,994	3.42	51,279
5	Stayfree Sup Maxipds 30's	11,616	4.05	47,045
6	New Freedom Maxipds 30's	11,352	4.05	45,976
7	Stayfree Maxipds 30's	11,220	4.05	45,441
8	Stayfree Deod Maxipds 30 ct	10,908	4.05	44,177
9	Sure & Natural Maxi Shlds 30 ct	8,280	4.21	34,859
10	New Freedom Sup Maxipds 30's	6,972	4.05	28,237
11	Playtex Deod Tmpn Sup 28's	8,256	3.41	28,153
12	Playtex Deod Tmpn Reg 28's	8,088	3.41	27,580
13	New Freedom Anyday Pantilnrs 30's	10,272	2.60	26,707
14	Stayfree Maxipds 12's	14,088	1.75	24,654
15	Stayfree Minipds 30's	7,536	3.16	23,814
	FEMININE HYGIENE			
1	Massengill disp dche vin & wtr 2-pk	17,868	1.54	27,517
2	Massengill Cntry Flwr 2-pk	15,432	1.54	23,765
3	Summers Eve Hrbl disp dche twin	12,168	1.29	15,697
4	Massengill disp dche hrbl 2-pk	8,868	1.54	13,657
5	Summers Eve vin & wtr twin	10,452	1.29	13,483
6	Midol tabs 30's	4,800	2.69	12,912
7	Massengill disp dche med 2-pk	5,436	2.35	12,775
8	Summers Eve reg disp dche twin	9,696	1.29	12,508
9	Pamprin tabs 24's	5,112	2.07	10,582
10	Shy fldng srng #25	1,663	5.61	9,329
11	FDS spry reg 1.5 oz	3,936	2.27	8,935
12	Massengill pwdr pckettes 12's	3,126	2.51	7,846
13	Pamprin tabs 48's	2,328	3.25	7,566
14	Faultless Gdhlth comb #2808	1,461	4.42	6,458
15	Midol tabs 60's	1,632	3.95	6,446

Source: Boston Distributors, Maple Heights, Ohio. Figures cover Feb. 1-April 23, 1982.

Tampon Sales Are Rebounding

Tampon sales are finally bouncing back after an outbreak of Toxic Shock Syndrome (TSS)—tied to Procter & Gamble's Rely tampons—sent sales into a backslide.

PMA PRODUCT MOVEMENT AUDIT

This product movement audit supplied by Boston Distributors for the period from Feb. 1, 1982 through April 23, 1982, ranks Tampax tampons in the top four spots. Playtex tampons trail in 11th and 12th places.

Reviewing the market, Charles Bowlus, vice president of merchandising at Boston Distributors, explains tampon sales had slipped to a 38% share of the feminine protection market from 44% after the TSS scare in the summer of 1980. This year both Tampax and Boston Distributors expect tampons to regain that share, perhaps picking up as much as 45% of the market.

Still, health concerns aside, tampon sales' growth could be tempered by technological innovations in sanitary napkins. Bowlus cited Sure & Natural Maxi Shields, No. 9 in this month's audit, as a strong competitor. Personal Products, maker of the shields, offers maximum absorbency in the thinnest napkin ever. Despite its higher average retail, the Maxi Shields could take a sizable chunk away from the tampon sales as well as from bulkier napkins, Bowlus points out.

Another super-absorbent, super-thin pad from Tampax is due to roll out nationally this year, says Bowlus. Maxithins are being tested in stores in New York and West Virginia. Once marketed on a national level they will compete directly with Sure & Natural Maxi Shields.

In the contraceptive PMA, which includes both preventative products and pregnancy tests, EPT early pregnancy tests from Warner-Lambert lead sales.

The category's sales are up about 30% over last year, according to Bowlus. He adds that the pregnancy tests have shown steady growth, pointing to Daisy 2 and ACCU test, fifth and 12th on the audit, respectively.

Encare suppositories, No. 2 in the audit, have taken substantial business away from foams and gels, says Bowlus.

A new item on board at Boston Distributors are condoms, ranked 13th and 15th in the category. Trojan lubricated condoms from Young Rubber is the top seller.

Bowlus noted condom sales are increasing because distribution has broadened and public opinion concerning the use of contraceptives has changed. He says many discounters are now tying condoms in with contraceptive foams and gels or with sanitary napkins and feminine hygiene.

Bowlus says Boston suggests its discounter customers clear a 4-ft. section above foams and creams for pegged condoms. "We recommend flagging the section as a family-planning center," he explained.

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*U.S. patent D261,096. Other U.S. and foreign patents issued and pending.

Above-average sales of seasonal and everyday counter cards have discounters projecting sales boosts on a par with last year's 20% average increase. Wal-Mart gave Valentine's Day this focus in Fayetteville, Ark. *(DSN photo)*

Even Bigger '82 in the (Greeting) Cards

(Continued from page 3)

habits."

Christmas card sales, accounting for three billion units of movement in the seven-billion-unit total greeting card market, probably fell to 2.5 billion last year, according to industry sources.

"It wasn't a terrible decline," said one manufacturer. "The trend for the last 10 years has been away from the large Christmas card lists people used to compile. We see consumers spending more for counter cards. They buy for fewer people who are very special to them. In turn, retailers are responding and buying more counter cards."

Prange-Way buyer Barbara Batzner has trimmed her boxed card orders to some degree, opting to bring in more counter cards. She also made a change in price points.

"I brought in more higher price points, because people are looking to step up. We really don't sell many low-end cards any more."

Although Prange-Way won't abandon its traditional $1.99 opening price point for boxed cards, Batzner is pushing the price barrier past $5 and up to $8 in her 1982 Christmas selection.

In 1981, the Wisconsin-based chain's greeting card business was up 25% to 35% on the strength of higher-priced cards, Batzner said.

Heck's buyer Larry Lacy agreed with the pricing strategy, noting: "The postage hike hurt lower-priced cards the most. People realized they were spending more postage than on the card itself."

Making a change in service from one vendor to another, Lacy said his West Virginia-based chain has upgraded price points on all cards without hurting sales during the last two years.

Magic Mart's buyer Max Dawson, whose chain achieved a 25% sales increase even though box card sales dropped 35%, is following a similar route. But Dawson won't change boxed card prices.

"We're going to put in fewer boxed cards, keeping the $2 to $7 price range. But we're going to concentrate on more expensive counter cards, including the very large foot-high cards."

Changing Attitudes

Martin's Ohio-based chain's counter card sales were up 27% as boxed cards dropped off 22% last Christmas.

Like most buyers, he believes consumers don't mind paying more when they're giving to fewer people. Accordingly, Gold Circle has upped its average card tickets to 72¢ from the previous 50¢ high.

Same-store sales are currently up about 20% for the chain.

At Prange-Way, Batzner is also giving more space to studio/contemporary cards in her 94-132-ft. departments, also citing tremendous success in licensed cards.

Both Gold Circle and Prange-Way have refixtured departments in the past year.

Gold Circle changed its presentation in conjunction with planogramming the entire stationery department.

"We changed over to higher fixtures, from 48 in. to 72 in., and more of a butcher-block look for greater visibility and the ability to display more merchandise, such as wrap packages, sticker seals and calendars, above," said Martin.

Prange-Way's fixturing has been changed for more depth of presentation. The chain instituted an "everything-up" policy, which took merchandise out of drawers in the old fixtures and put it on display.

S. E. Nichols, another chain to achieve a 20% sales increase in cards last year, has also done some remodeling. Buyer George Scott said facings for contemporary cards have been upped from one to two, as linear footage in departments has been increased from 40 to 80 in most units. In some larger Nichols units, cards have been allotted 100 ft.

Discounters, like most greeting card retail outlets, rely heavily on vendors for fixturing, however. Vendors are pushing for expanded card shops, up to 200 linear ft. for discounters.

Buyers like Scott point to more than one good reason for upping space for the departments: "The markup is 50% or better and obviously good profit. It's all very easy, with our vendors servicing us weekly, guaranteeing the sells. . . . And it doesn't take any personal dollars."

Sensitive to Imported Apparel

(Continued from page 3)

States-made apparel, with nearly half rating imports inferior in quality to domestic items. Less than 6% found imports' quality superior to United States-made apparel.

The study also showed 59% favored stronger Federal laws to limit imports; 73% agreed imports reduced jobs for United States workers; 57% were concerned about jobs enough to influence their buying decisions; 63% perceived a trade deficit in apparel, with an equal number expressing distress at the imbalance; 64% believed United States manufacturers' claims that imports are driving them out of business, and 83% said there is reason for public concern about the threat posed by foreign competition.

Dickerson said her study was the first to examine consumer attitudes toward imported apparel specifically, but she also noted recent surveys give general support to her findings. In a 1980 CBS News/*The New York Times* poll, 71% of consumers interviewed, given a choice between higher unemployment or cheaper foreign goods, chose to protect jobs. A 1980 Louis Harris & Associates poll found more than 60% of consumers it surveyed favored restrictions on imports.

New State Safety Laws Spur Children's Car Seat Boom

(Continued from page 1)

aloger Best Products, and Helene Johnson, buyer for Zodys, agreed that even without passage of a state law in Virginia and California, respectively, the proposal of a law has been enough to bring in car-seat customers.

Consumer groups and all proponents of car-seat legislation in states now debating the issue typically use "scare tactics" to make their points. Consequently, potential customers have been seeing films and reading articles playing up the grim details of children being catapulted through windshields and into dashboards. Their message is that the resulting injuries, and deaths, might have been prevented if a car seat had been used.

Bortnick, of Richmond-based Best, said although Virginia doesn't have a car-seat law, car seats are the biggest growth category in juvenile furniture because of the proposed law.

She added that many hospitals in the state stop just short of prohibiting parents of newborns to take their child home unless a car seat has already been installed.

Zodys' Johnson reported that even though California, usually a pacesetter in state safety regulations, still has no car-seat law, the proposal of one has been enough to cause the chain's four sku's to "blossom" in sales.

Dottie Crocker, buyer for Rose's, has increased stock in car seats from three to five sku's, concentrating on the $40 price point.

Since Rose's operates stores in Tennessee, the chain's car-seat sales have been growing for the past three years. That state was the pioneer, passing a law in 1978 requiring car-seat restraints for children up to age four.

North Carolina, Rose's home base, has a law going into effect July 1, 1982, also requiring restraints for children to age four.

Tennessee's law takes a novel approach. Cars stopped because a child isn't restrained aren't allowed to proceed. Instead, the officer stopping the vehicle takes a car seat from his patrol car and supplies it to the offenders. The loan comes with a warning to buy a car seat and return the loan by a given date or be prepared to receive a summons and a fine.

The eight states passing laws since Tennessee's groundbreaking passage are Kansas, Massachusetts, Michigan, Minnesota, New York, North Carolina, Rhode Island and West Virginia.

The laws in the states vary. For instance, all states require car seats for infants. But the upper age limit in the various mandates ranges from ages two to five. Some states include the older, ages three to five, children in the law but permit the use of seat belts.

Seeherman: Venture Solves Out-of-Stock Problem in Basics

(Continued from page 3)

For example, if it's important to be in stock on basic items, and you're out of stock on them and in stock on promotional goods, then you're nothing but inefficient. Now, our store managers are no longer badgered by customers for not having goods in the store. Their jobs have become a hell of a lot easier. So you take a lot of pressure off people by doing the job you want to do.

That's important, because if your business responds you suddenly find you can fund other things that had been a pain in the neck. You can have more personnel in the stores. You can have more merchandise because you have a better stock turn. It's momentum.

DSN: How involved do you get in what's happening at Venture? For example, in the store signing changes that were recently made.

SEEHERMAN: To the degree of thrusting and challenging the ideas, and coming up with the best solution, I get involved. As soon as it's on its way, I try not to interfere.

DSN: How would you describe Venture's assortment today compared to five years ago?

SEEHERMAN: I think it's no different, frankly. What's different is that we're less willing to exist with poor performers than we were five years ago. We didn't take assortments away from merchandise that had a chance of performing well. We took it away from those things the customer told us we shouldn't have anyway.

Now, instead of reviewing items on a yearly basis, we review them seasonally or quarterly.

Also, space has been a factor. As you get into new areas, you have to fight for space, and that knocks out a lot of the low producers.

DSN: But like everyone else, Venture is being forced—by the economy and the cost of doing business—to trim assortments and raise margins. And as that happens the image of the discounter is changing.

SEEHERMAN: That's a natural phenomenon of business. When the economy gets tough you have to take an aggressive posture, and the people who can do that well stay in business. The others fall by the wayside. It's the same as war in the population cycle. When retailing gets too big, too sloppy then the Grants, and the May's, and the Korvettes have to go out of business.

Those strong and well run and well organized end up with a share of the pie they can get fat on.

DSN: No department is ever 100%, but what are you really pleased with? What are your stellar performers?

SEEHERMAN: I don't think we're stellar anyplace. We work hard for every department. I don't think we're satisfied with anything we've done because our standards are very high. We don't have any areas that are stellar. We have a lot that are O.K.

DSN: Is there any one area that you have devoted yourself to?

SEEHERMAN: No. You try to keep everybody looking at the success of each other, and trying to copy the good work of one person. No store can function because it has one good department.

It would be great if you could take one problem at a time, and really solve it.

DSN: What was your priority when you joined the company?

SEEHERMAN: To develop the fundamentals of the business and maximize Venture's mission, which was to be an everyday store that offered all kinds of goods at a good value.

I did that by never letting this statement get away from me, and by always asking the question: Is what I see consistent with the mission?

DSN: What's your strong suit as a manager?

SEEHERMAN: I believe I can interpret what I see around me. I think I'm responsive to change. The priority I have today is to make the organization understand change and be responsive to it. Change for evolution, not revolution.

DSN: What part of your job gives you the most pleasure?

SEEHERMAN: Talking about merchandising. I could spend years talking about merchandising. Why is it good? How to make it better? How to sell it? What can you do to help people—whether it's our resources or our own buyers—sell more?

That's one of the biggest problems with business: You find the most important function is one that often gets the least amount of time.

DSN: We saw you walking the Housewares Show with one of your buyers last January. You were very intent on what you were saying.

SEEHERMAN: I love to go to shows. I try to go to most of the major shows. I do it to keep myself alive and abreast of what's happening. It's hard to lead people if they're talking about things you've never heard of or seen. It's really important if you want to support people in their job.

The Recovery That Wasn't Cost K mart $412 Million in Gross Margin

TROY, Mich.—The economic upturn that didn't occur last year cost K mart about $412 million gross margin dollars.

While the industry giant reached $16.5 billion in total corporate sales, net income dropped to $220.3 million, continuing the previous fiscal year's bottom-line decline.

The record volume in the fiscal year ended Jan. 27, 1982, described as "comfortably above the $16 billion sales target that was made public in 1976" in the just-released annual report, was bought at a high cost.

For one thing, the $16.5 billion was only a 16.4% increase from the previous fiscal year's $14.2 billion in sales.

For another, the $220.3 million in earnings was down 15.5% from the $260.5 million in the fiscal year ended Jan. 28, 1981.

The cause of K mart's mixed results was succinctly summed up in the annual report: ". . . The plan was that our earnings potential in the third and fourth quarters would be aided by an economic environment stimulated by the 1981 business and personal tax cut. We planned our merchandising program accordingly."

The stimulus, of course never came.

"The significant and rapid decline in economic activities beginning in August 1981 required adjustments to our program. . . . The stage was quickly set for an industrywide inventory reduction effort that seriously impacted our margins."

A cost analysis shows the company's gross margins during the fiscal year dropped to 25.2%, vs. 26.7% in the previous fiscal year.

This means the gross margin dollars generated by the record $16.5 billion sales amounted to $4.2 billion, about $412 million less than if K mart had maintained the same 26.7% gross margin of the previous year.

The expense that directly contributed to the lower gross margin was the cost of merchandise of $12.4 billion, or 74.8% of sales, up $1.9 billion from $10.4 billion or 73.3% of sales in the previous fiscal year.

K mart is guarding against a repeat of last year's problems. Its efforts this year include a more conservative expansion program calling for about 80 new stores this year, compared with 171 in 1981, plus updates of existing stores. The latter includes renovating the apparel departments in some 1,300 stores to bring them in line with the new, higher-volume and more profitable format already used in about 700 units, and extending the company's sophisticated electronic inventory and information systems to all K marts.

Sharper inventory controls are expected to help avoid a repetition of the chain's overinventoried position going into the last half of 1981, which triggered the need for the inventory reduction effort.

The retail conglomerate at the end of 1981 had 1,939 K marts in the United States, up 164 from 1,775 last year, and 116 in Canada, up six from 110. It also ran 319 Kresge and Jupiter units and 83 Furr's Cafeterias.

DSN estimated the K marts in the United States generated about $15.2 billion in sales, up about 17% from $13 billion. Those stores account for more than 96% of the company's business, according to the annual report.

Last year, K mart partly compensated for the higher merchandise cost by tightening up on the increases in other expenses. Selling, general and administrative costs went up 14.6% to $3.4 billion (20.7% of sales) from $3 billion (21% of sales), while advertising expenses rose 13.8% to $386 million (2.3% of sales).

Interest expenses also jumped, with debt going up 24.8% to $114.9 million from $92.1 million.

Total costs outpaced the gain in sales and increased 17.7% to $16.4 billion (99.5% of sales) from $14 billion (98.4% of sales).

Chains' Cost/Sales Ratios

(Continued from page 1)

The Framingham, Mass.-based chain's 12.7% sales increase and 29.7% increase in operating income (to $37.6 million), however, reflected increased participation by the chain's specialty store arm.

Specialty stores represented 42.5% of corporate operating income as discount stores contributed 57.5%, a decline from the 90.6% contributed only two years ago by the discount arm.

In a look at other chains' performances for the fiscal year just ended, Target, Venture and Roses all realized healthy increases in operating income.

Target, with sales increasing 34% to $2 billion for the year, had operating income of $108.7 million, which, at 5.3% of sales, was up 19.3% from the previous year.

Venture, with a 41.2% increase in operating profit, earned 2.8% of the chain's $611 million sales.

Roses' $14.9 million operating income was 2.5% of its $594 million sales. Income for the period was 33.9% higher than the previous fiscal year as sales advanced 13%.

The Henderson, N.C., discounter reduced costs as a percentage of sales to 97.5% from 97.9% for the prior year. Costs totaled $579.9 million, compared to $515.2 million a year earlier.

At Jamesway, costs rose to $289.5 million or 97.7% of the chain's $296.2 million sales. A year earlier, Jamesway's costs were $266.6 million or 97.5% of sales.

Costs continued to outweigh sales at troubled Sterling Stores, parent of Magic Mart, although the chain did improve its performance last year. Sales increased 7.1% to $130.7 million, but costs, at $132.6 million, outran revenues. The previous year, the 49-unit chain's costs were $126.5 million on sales of $121.9 million.

Chains Weigh Philanthropy Requests

(Continued from page 1)

ways.

"We recently had a request from the League of Women Voters to make public service announcements on local elections," said the spokesman, "and a Boston day care center, which had 40% of its budget cut by the Federal Government, was here to see us."

The company this year is dividing its charitable interests equally among education, health and civic organizations.

"There's been a huge change in our strategy this year. We can no longer just blindly give a substantial sum to a local university when social services are getting nothing. We have to be socially responsible and more careful in how we allocate grants."

T.G. & Y. is also among the chains being responsive to local social welfare programs. Executives this year found $250 in their budget for the local office of the Individual Opportunity Center, an organization that provides job training for minorities.

"There have been more requests this year than ever before," agreed Harold Plunk, executive vp.

"Although not all of the requests are a direct result of the Reagan Administration's cutbacks," Plunk expects his chain to be called upon by fund raisers from organizations working on behalf of children in the coming year. They were hit hard by Reaganomics.

While Plunk wouldn't reveal the size of the company's annual contribution budget, he said the majority of T.G. & Y.'s money goes to local chapters of national organizations like the United Way and Junior Achievement—generally in $1,000 allotments.

The chain has also earmarked $25,000 each this year for Oklahoma City University and the Oklahoma Christian College for building expansion. Five thousand dollars will be given to each school every year for the next five.

With a healthy bottom line performance under its belt last year, Zayre was able to increase its charitable contribution budget for this year. In the fiscal year just ended, pretax profits rose to $37.6 million from $29.0 million the year before. According to Stanley Berkovitz, vp, consumer and community affairs, charitable contributions account for roughly 2.5% of pretax profits.

This year, Berkovitz said, the chain is directing more funds into the health and social welfare areas.

The chain also fuels its charitable contributions through employee pledges. Early this year, for example, the chain pledged $250,000 to the March of Dimes, after 4,000 employees agreed to participate in the nonprofit organization's Walk-America fund raiser.

(*DSN* awarded its 1982 DISC [Discounters in Service to the Community] Award to Zayre last month for its efforts on behalf of this program. See *DSN*, May 17.)

Target's parent, Dayton Hudson, generally considered one of the leading corporate philanthropists, has been giving 5% of its pretax profits away for the last 37 years.

"This year we've had a definite increase in all areas of requests," said Vivian Stuck, an aide to Dayton Hudson Foundation president Richard Contee.

The retail conglomerate distributes its grants close to home. In 1981, $4.7 million of the Foundation's $9.6 million worth of grants went to organizations located in Dayton Hudson's hometown of Minneapolis.

The foundation also gave $1.9 million to Detroit-area charities, the other most heavily populated city in the corporation's territory.

In Detroit, Dayton Hudson gave $30,000 to the Detroit Educational Television Foundation; $165,000 to the Detroit Institute of the Arts, and $50,000 to Camp Tamarac, a retreat for inner-city and handicapped youths located in northern Minnesota.

Art-related and social welfare groups receive 80% of the Foundation's total budget.

Wal-Mart's 14 -month-old Wal-Mart Foundation has already been inundated with requests.

Its main area of concern will be in education, said Fritz Steiger, director.

This fall the chain will award its first round of college scholarships of $1,000 each to 330 high school seniors. In special instances the foundation will make larger awards, though Steiger expects few to exceed $5,000.

One large award already made this year was in April to a symposium that brought journalists and business leaders together. One of the goals was to improve the journalists' understanding of economics.

"Projects that can have a broad impact will be given the larger grants," said Steiger. "We felt the journalists, who have a large audience, could benefit from the program."

New U.S. Safety Rules to Boost Mower Prices

(Continued from page 2)

Urging the agency to postpone those new safety standards for a full year, officials at Toro warned that the resulting price hikes could trim mower sales by as much as 30% and drive some lawn and garden equipment dealers and distributors out of business. While Toro found no quarrel with features of the new safety regulations, it did argue that imposition of the standard this year would have a devastating economic impact on an already ailing industry.

During a C.P.S.C. hearing, however, a significant number of lawn mower manufacturers disagreed.

According to Martin Berk, advanced products manager of John Deere, "Any delay in the standard would penalize companies for complying with the standard on time." In addition, Carswell's vice president William Parsley testified it was unrealistic to argue the new safety regulation will put people in or out of business.

Consumer groups also raised objections to the Toro petition, arguing lawn mower manufacturers had plenty of "lead time" to prepare for the new safety regulations and "extension of the standard would double the risk of consumer injury."

C.P.S.C. unanimously denied the Toro position. According to C.P.S.C. Chairman Nancy Harvey Steorts, the imposition of the standard this year wouldn't adversely affect the financial well-being of the lawn mower industry.

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FTC May Shield Most Makers From Price-Control Prosecution

By KEN RANKIN

WASHINGTON—Federal Trade Commission antitrusters are actively considering a bizarre new enforcement policy which would effectively shield all but the largest retail industry suppliers from Federal prosecution for resale price maintenance (RPM) violations.

The specific approach under study now by top FTC officials would prohibit commission antitrust agents from even investigating charges of "vertical price fixing" by any manufacturer who doesn't control at least 10% of the total market for his product categories.

Industry lobbyists who have discussed the controversial new RPM "case selection plan" with

Service Merchandise urges its shareholders to fight the price maintenance drive. P. 7

FTC regulators told *Discount Store News* that this approach would be tantamount to eliminating the commission's resale price maintenance enforcement program altogether since few, if any manufacturers hold a 10% market share in any product line.

The first word of the proposed new "market share" approach toward RPM cases surfaced late last month during a meeting between discount store industry leaders and officials from FTC's Bureaus of Competition and Economics.

That meeting—like an earlier conference with Justice Department Antitrust Division Chief William Baxter—was or-

(Continued on page 69)

Landing a Graduate Takes Salesmanship

(First of a two-part series on recruiting.)

By MARILYN NEERMAN

One of the rites of spring is discounters' college recruitment effort. And, as some chains acknowledge, enticing new grads to hand in their jeans for a dark suit isn't easy.

Part of the problem is an overall grim view graduates have of retailing as a career. In fact, in a study by Brigham Young University, the five key phrases students used to describe retailing were: "dull;" "people-oriented;" "poor salary;" "poor hours;" and, "routine."

Retailing ranked seventh in a list of 16 different career paths; it ranked seventh in a list of 11 careers among business student respondents. Those respondents who would consider a retailing career said their preference was for department store employment.

Bonnie Wolf, divisional vice president, human resources, at

(Continued on page 69)

K mart Shuttering Unprofitable Stores For 1st Time; $2 Billion Expansion Set

TROY, Mich.—K mart has decided to bite the bullet and close unprofitable stores in an effort to return to its past profit levels.

The chain's admission that it will close stores for the first time was accompanied by an upbeat forecast: About 250 new stores will be opened between this year and 1986, and more than $2 billion will be spent to expand its base of business.

Among the first stores to be closed was an 84,000-sq.-ft. unit in Elmhurst, Ill., acquired from Korvettes about four years ago. Another, an 84,000-sq.-ft. store in Natick, Mass., near the Natick Mall, will be shut in mid-July.

The exact number of K marts due to be closed wasn't disclosed at the annual meeting, held in the chain's Troy headquarters.

The $2 billion-plus capital expenditure program includes almost $250 million earmarked for high-technology computer equipment, chairman and chief executive officer Bernard Fauber said.

New Approach

This commitment includes the first tests sometime next year of a point-of-sale system that captures information from UPC bar code tagged merchandise.

K mart has filed a request for UPC numbers for its own merchandise with the UPC Council which assigns such digits to manufacturers and retailers, a chain spokesman said.

A K mart spokesman said no decision has been made as to whether the UPC code will be read via wands or scanners built into the checkout station. The latter is the method used by most supermarkets, which are the major supports of UPC.

K mart officials estimated about 35% of the goods currently carried in its more than 2,000 discount stores have UPC.

Scanning a bar code to capture information isn't new to K mart. The discounter is currently putting bar code labels on shelves and other displayers in a number of hard lines departments. It will use scanners to read these labels as part of a

(Continued on page 69)

At NMRI Convention

'That 1 Good Idea' Proves Easier to Find

SAN DIEGO—At the close of the 1982 National Mass Retailing Institute convention, outgoing chairman of the board David Godfrey of Hart Stores asked fellow participants: "Did you all get that one good idea?"

The general consensus among the 367 retailers and 1,160 associates, including spouses, was that more good ideas came from the interaction at this year's "Retailing Fiesta" than at preceding meetings.

That retailers were interested in the convention's offerings was reflected in the attendance jump from 1,300 in 1981 to 1,527 this year. The number of manufacturers taking display space also increased, from 198 to 225.

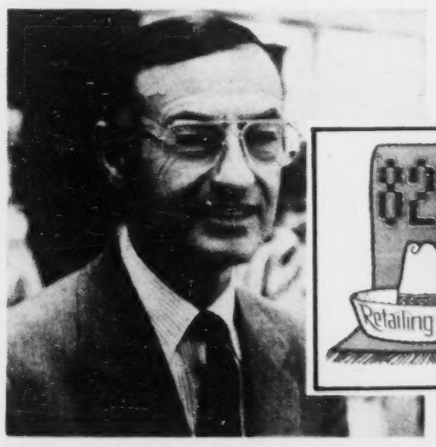
NMRI president Richard Hersh praised this year's sessions for targeting topics of keen interest to retailers.

"I think we saw better preparation done by all of the panelists," Hersh said.

One panelist in particular, had the convention buzzing.

(Continued on page 69)

For the convention in pictures see p. 2



Cook United's George Jeffers on the convention floor.

The *DSN*/Pepsi 10K race brought out over 300 participants during the sports day activities. *(DSN photos)*

Digest

June 14, 1982

H&BA

- **Trial-size promotions are catching discounters' eyes as the** high margins prompt buyers to purchase as much as possible. (p. 14)
- **Laxative and stimulant sales success is bound by the strength** of promotions, buyers report. (p. 14)

HOUSEWARES

- **Discounters are looking into their bag of merchandising** tricks to move difficult-to-sell but profitable giftware items. (p. 18)
- **The recently held Gourmet Show in San Francisco saw a** crowd of discounters who liked the show for its fashion and product assortment. (p. 18)

HARDWARE

- **The light at the end of the tunnel is there for power tool sales,** buyers agree. After a two-year slump, discounters are crossing their fingers for the fourth quarter and the first quarter of next year for resurgence. (p. 20)
- **Tool accessories are still the muscle of the tool department** profitability. (p. 20)

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HOUSEWARES

East or West, Same Gadgets Lead the Rest

East Coast or West, the Product Movement Audit in the "bread and butter" gadget category shows such items as the Swing-A-Way hand can openers, Range Kleen reflector pans and basic utensils holding their dominant positions.

Interestingly, the reports covering the first four months of the year show the steamer basket as the No. 1 seller at Bacar, distributors, San Jose, Calif. A similar item, the carded steamer basket, ranked No. 29 in gadget sales at HalMar, distributors, based in Holyoke, Mass.

Another item may hint at some difference in geographic lifestyles. The Rhodes timers have, once again, taken top slots in HalMar's lineup. At Bacar, the Rhodes timer moved into second place but it's the first time the timer has been among the top 10 sellers.

The Bacar listing shows good movement in a new item, the Chip Clip. The Bosco salad spinner, an item which responds well to ads, moved into the No. 12 slot. Three-tray decorative hanging baskets continued to be important in the category with copper maintaining its sales lead over brass.

HalMar is presenting a new concept, an offshoot of gadgets, for fall selling. The distributor is setting up a separate 4-ft. to 8-ft. section for a good-better-best cutlery selection.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	GADGETS			
1	SVS-19 Steamer Basket, stainless, 3 qt	6,597	4.27	28,169.19
2	29034 Rhodes timer short ring, asst	2,492	8.08	20,135.36
3	407-C21 Swing-A-Way can opener, choc	3,730	4.48	16,710.40
4	407-H21 Swing-A-Way hnd cn opnr, hrvst	3,603	4.48	16,141.44
5	1-6AC Range Kleen 8" rflctr pn GE	8,838	1.80	15,908.40
6	105AC Range Kleen 6" rflctr pn GE	10,260	1.35	13,851.00
7	3100 American Family diet scale	2,376	5.75	13,662.00
8	CB-33 Prog Int 3-tray basket, copper	1,681	8.10	13,616.10
9	102AC Range Kleen 8" reflector pan	4,100	2.92	11,972.00
10	NF-435B Tric 3.5" Norelco filter	6,883	1.70	11,701.10
11	710 Grayline jumbo shelf	2,952	3.95	11,660.40
12	N-1 Bosco salad spinner	1,281	8.98	11,503.38
13	101AC Range Kleen 6" reflector pan	4,632	2.47	11,441.04
14	107-21 Swing-A-Way jr hand can opener	5,141	2.15	11,053.15
15	22516 Rhodes timer long ring, asst	879	12.55	11,031.45
16	103AC Range Kleen 6" reflector pan	8,016	1.35	10,821.60
17	104AC Range Kleen 8" reflector pan	5,766	1.80	10,378.80
18	1800 E-Z Foil electric burner bibs	4,154	2.24	9,304.96
19	91330 Irving CD wing corkscrew	2,028	4.48	9,085.44
20	3119 Bromwell grater	2,286	3.95	9,029.70
21	1150HA Alum filter fry crisp filter	2,389	3.58	8,552.62
22	213 Grayline plate rack 4-loop	3,619	2.33	8,432.27
23	WB-3BR Prog Int 3-tray hng bskt, brss	1,006	8.10	8,148.60
24	00670 Ekco garlic press	2,660	3.05	8,113.00
25	815 E-Z Foil oven liner	3,276	2.24	7,338.24
26	SS-91 Trend steamer basket 4-qt	1,085	6.75	7,323.75
27	00350 Ekco stain flat grater	3,336	2.15	7,172.40
28	3000 American Family household scale	514	13.45	6,913.30
29	136 Foley measure cup 4-pc set	1,266	5.38	6,811.08
30	1003 Chip clip	3,948	1.70	6,711.60
31	3419 Bromwell grater	2,133	3.14	6,697.62
32	722 Chaney fry-jelly-candy therm	3,387	1.97	6,672.39
33	00050 Ekco peeler	4,498	1.43	6,432.14
34	1213-OS C K over sink board	642	9.88	6,342.96

Source: Bacar, distributor, San Jose, Calif. For Jan. 1—April 30, 1982.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	GADGETS			
1	29031-UC Rhodes timer, white	4,199	8.09	33,969.91
2	407-21 Swing-A-Way hnd cn opnr	5,116	4.22	21,589.52
3	29035-UC Rhodes timer, almond	2,208	8.09	17,862.72
4	08850 Ekco Miracle can opener	16,508	0.98	16,177.84
5	39 Bonny pastry brush, wd	7,855	1.97	15,474.35
6	786 Vanderbilt 3-pc wd spn st	12,355	1.16	14,331.88
7	00050 Ekco stainless peeler	8,186	1.43	11,705.98
8	08840 Ekco 4-way can opener	7,020	1.52	10,670.40
9	HB300 Helmac lint brush	3,949	2.69	10,622.81
10	202 Wall Trading steamer basket	2,700	3.59	9,693.00
11	00030 Ekco peeler	13,367	0.71	9,490.57
12	00560 Ekco serving tongs	7,798	1.16	9,045.68
13	39RC Helmac lint refill	5,053	1.79	9,044.87
14	101 Range Kleen rng rflctr, 6"	3,501	2.51	8,787.51
15	102 Range Kleen rng rflctr, 8"	2,938	2.96	8,696.48
16	1336/2580 Forster rolling pin	2,166	3.95	8,555.70
17	H150 Gemco salt/pepper shaker st	5,429	1.52	8,252.08
18	08750 Ekco Beverage Boy	5,727	1.43	8,189.61
19	760 Chaney meat thermometer	3,912	2.06	8,058.72
20	119 Bromwell grater	4,484	1.79	8,026.36
21	7987 Gemco food chopper	3,180	2.51	7,981.80
22	103A Range Kleen rng rflctr, 6"	5,752	1.35	7,765.20
23	5973 Taylor oven thermometer	2,784	2.69	7,488.96
24	5937 Taylor rst mt thermometer	1,381	5.39	7,443.59
25	HB200 Helmac Magik brush-travel	3,168	2.33	7,381.44
26	998 Bonny skewers 4-pk	3,361	2.15	7,226.15
27	412 Wall Trading spttr shld w/hndl	2,651	2.69	7,131.19
28	08760 Ekco hand can opener	3,060	2.33	7,129.80
29	201 Wall Trading stmr bskt crdd	4,664	1.52	7,089.28
30	FB Quackenbush nut cracker	5,260	1.34	7,048.40
31	16733 Ekco egg beater	1,551	4.49	6,963.99
32	107 Swing-A-Way jr can opener	3,237	2.15	6,959.55
33	105A Rng Kln rflctr pn G.E. Hotpt	5,105	1.35	6,891.75
34	2012/2 Comware s/2 scrapers	7,515	0.69	6,688.35

Source: HalMar Distributors, Holyoke, Mass. For Jan. 1—May 7, 1982.

Laxatives

(Continued from page 14)

Spargo has high hopes for Correctol liquid, added six months ago. He regards its entry as a sign of the untapped potential in the market.

C. J. Arnold, buyer for Woolco, shares in the enthusiasm over the liquid Correctol formula. He added it to his mix this spring and reports it is moving up near Milk of Magnesia and Ex-Lax, his best-sellers. Woolco doesn't advertise laxatives often, Arnold reported, adding that most of the promotion is done on a local level.

Buyers at ALCO and Gaylords reported flat sales in laxatives. Both chains devote advertising dollars to more consumable H&BA items.

Dee Henkle of ALCO reported no changes in her six-brand laxative mix in the past year. Correctol tablets, Feenamint, Ex-Lax, Metamucil, Fletcher's Castoria and Milk of Magnesia make up the section. Henkle reported margins of 28% on the mix, whose prices range from 87¢ for an 8-count Ex-Lax to $6.67 for a 14-oz. Metamucil.

At Gaylords, Mary Ann Menitz said laxatives aren't promoted. She said that nothing has been added or dropped from her eight-sku mix in the past few months. Margins average 30% except on a controlled label mineral oil, sold exclusively by Gaylords, which reaps a margin of 35%.

Menitz is considering taking on the Correctol line this year. It was dropped a few years ago.

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Plough laxative sales are strongly supported by year 'round national advertising in all major media.

Because people are different so are our laxatives.

Plough, Inc. is the #1 maker of proprietary laxatives because we understand that different people have different preferences in laxatives. Factors such as age, habits, and needs determine which type they choose. So we make laxatives to satisfy all of them. Different formulas. Different forms. Different tastes. And all are backed by the Plough reputation for quality, purity, and effectiveness.

Stock Plough laxatives and please all of the people all of the time.

#1 MAKER OF Plough, Inc. PROPRIETARY LAXATIVES

Specialty Chain Census

Strong Specialty Chains Emerge As Foes, 'Sisters' of Full-liners

Specialty discount chains are emerging not only as tough competitors to full-line discounters, but also as sister chains as more full-line operators begin spinning off specialized stores.

The off-price, name brand apparel chains are flourishing in the tight economy as consumers move from the department stores to find name brands at lower prices.

With the heightened interest in personal home computers, retailers are opening specialized computer stores, like Radio Shack's Computer Store, and computer departments are growing as well.

Toy retailers are also growing and capitalizing on the changing retail winds. Electronics and infants' merchandise are growing departments at chains like Toys "R" Us and Child World.

The sporting goods retailing industry has seen W. R. Grace's Herman's World of Sporting Goods skyrocket as consumers get into shape and begin shopping for actionwear as though it were seasonal software merchandise.

With Detroit off the track, the specialty auto retailers are having boom days with aftermarket products and repair kits. Few people are buying the high-sticker-price autos of 1982, but they are spending for fixing up their current cars.

In the following pages, *DSN* gives you a report on these specialty retail discount operations.

CE: Sales Keep Increasing

Consumer electronics chains continue to report sales gains although the economy and rapid advancements in the field lead to cautious expansion plans.

Radio Shack has deepened its commitment to home computers with 100 Computer Centers opened since June 30, 1981. The chain has developed a program to speed up ordering of its complete line of TRS-80 microcomputers.

For its regular units Radio Shack concentrated on refurbishing a total of 400 units since June 1981.

Other consumer electronics chains see telephone equipment and citizen band radio security systems as more feasible growth areas for the future. Ward, with Circuit City and Lafayette as well as CMC stores, reported it didn't have any plans to take on home computers.

Radio Shack ..... P. 65
Team ..... P. 65
Circuit City/
Lafayette ..... P. 65

Apparel: Recession Helps

According to the off-price apparel specialists, the recession of 1981 drove more middle- to upper-middle-income customers, traditionally conventional department and specialty store shoppers, to the off-price operation.

In turn, a more-affluent customer base spurred the price-oriented specialists into higher-priced merchandise.

"We keep the new customers we get, because they become aware of our values and form new shopping habits," said a spokesman for Marshalls. For this reason, the specialists also have no fear of the opposite side of the coin, an economic rebound.

In May 1981 10 major apparel specialists operated 842 units.

Mervyn's ..... P. 59
Marshalls ..... P. 62
T. J. Maxx ..... P. 62

Sporting Goods: Bows Set

Larger sporting goods chains will build on established markets and broaden their store bases this year.

Herman's, the top-volume chain, has been concentrating on consolidation for the past year and actually cut its store base by one. This year the chain plans to open as many as five new units in markets where the chain is already established.

Herman's lost some of its sales lead over No. 2, Oshman's, which narrowed the volume gap to $27 million from $80 million a year earlier. Oshman's latest sales figures include the 33 Zale units acquired late last year.

Smaller chains expect to keep store counts steady. Michigan is the exception with two new stores slated to open this year.

Herman's ..... P. 48
Sunset ..... P. 48
Oshman's ..... P. 50
Morsan ..... P. 50

Auto: DIY Fuels Advances

Coming off a bright 1981, auto specialty chains look for even better business this year as more motorists continue to do their own car repairs.

Another factor brightening the sales forecast is the aging of the country's on-the-road automobile stock. Repairs on most of those cars can no longer be delayed.

To maximize that sales potential—and keep a lid on costs—the industry continues to become even more self-service oriented.

Pep Boys is just completing a remodeling program, for example, that will make its stores easier to shop. Nearly 90% of its 110 stores have been remade.

Whitlock ..... P. 43
Pep Boys ..... P. 44
Grand Auto ..... P. 46
Fleenors ..... P. 46

Toys: Top 10 Pass $1.5B

The top 10 toy specialty store chains passed the $1.5 billion sales mark as they added about five dozen stores in 1981.

This growth was sparked by Toys "R" Us, the leading toy supermarket-type chain, which hit $738.8 million in sales just from its toy stores, and Kay-Bee, the top mall-based, basic-toy-type operation, which did $143.2 million.

Aiding the industry's growth was the addition of personal computers as a new category for a number of chains.

Toys "R" Us ..... P. 55
Hobby Center ..... P. 55
Lionel Leisure ..... P. 56
Toy World ..... P. 57
Kay-Bee ..... P. 57
Play World ..... P. 57

AUTOMOTIVE

Specialty Chain Census

Western Dominant

Chain	No. of Units May '81	No. of Units May '82	No. of Units Dec. '82	Sales in Millions Last Fiscal Year
Western	3,300	3,200	3,200	$645.0
Pep	104	110	111	$233.5
Grand	78	79	79	$119.9
Guarantee	41	43	44	N.A.
Whitlock	47	75	75	N.A.
Fleenors	46	48	N.A.	N.A.
Schucks	51	51	52	N.A.
Hi-Gear	42	44	47	N.A.
Aid	74	58	61	14.2
Rose	24	29	33	N.A.
Save	16	18	19	4.0

N.A.—Not available.

Whitlock Reaches 75-Store Plateau With Acquisition of 26-Unit CalAuto

NEW YORK—Whitlock's recent acquisition of CalAuto, a 42-year-old, $15 million, 26-unit California chain, brings the former's total units to 75, with only a portion of the stores operating under other names.

CalAuto stores will continue to operate under their old name, as do National Auto stores, a five-year-old Whitlock takeover.

According to Whitlock president William J. Fox, integration plans for the CalAuto units include doubling the stores' 6,000-sq.-ft. average floor space.

"We will fill the additional space according to our present merchandise mix which calls for mostly expanded accessories and showroom departments along with increased chemicals and floor mat assortments."

Whitlock's April acquisition of 26-unit CalAuto was seen as a continuation of the chain's long-range expansion plans. The merger brings Whitlock's latest store count to 75. *(DSN photo)*

Still Developing

Three California locations will be selected for the company's 20,000 sq. ft. SuperStores, but they aren't necessarily going to be in the former CalAuto stores. "We are actively negotiating with a number of real estate developers, and the sites being considered include new, nontakeover locations," said Fox.

Whitlock currently operates SuperStores in Tulsa, Wichita, Milwaukee (2), Binghamton, N.Y., Racine, Wis., and Peoria and Rockford, Ill. (2). Fox also said the company was considering opening more SuperStores in non-California locations, but declined to say where.

"Density and character of local population are the two most important factors when considering where to open a SuperStore unit," explained Fox.

With the CalAuto acquisition, Whitlock, a wholly owned subsidiary of LCP Holdings Limited of Britain, now operates stores in the Midwest in Wisconsin, Illinois, Iowa, Kansas and Oklahoma; upstate New York; Massachusetts and California.

Non-Fooders Push Food-Store Items

SOUTHPORT, Conn.—A recent survey conducted by SMA, a national retail services firm, found more nonfood stores, such discount and drug chains, are promoting "traditional food store products."

The SMA study also concluded food companies feel the need for different size products in nonfood outlets, enabling these retailers to offer their products in a different package at price differentials other than those at food stores.

SMA's survey focused on four product categories: food, beverages, household products and snacks, including candy. Stock levels and promotions were studied in major discount and drug stores in five major markets for four weeks during the last quarter of 1981.

During this period, only one chain didn't stock any of the four categories; 70% of the stores stocked food items; 100%, household goods; 97%, beverages, and 95%, snacks.

In the four categories, the average number of brands stocked was: 12, food items; 43, household goods; 12, beverages, and 21, snacks.

For 4-cylinder domestic and import cars...

15 spark plugs do the job of 23. Now, that's performance.

Over 90% market coverage with over a 30% reduction in inventory.

Champion puts more performance in your sales effort with a consolidated product line for 1982, which offers you over 90% market coverage of the domestic and import 4-cylinder market, with 15 plug types instead of the 23 formerly required.

These new Champions also give you 92% coverage of the import 4-cylinder market alone with just 11 plug types.

The new line incorporates the same flexible range of plug designs you need to satisfy your customers... all specifically engineered for the 4-cylinder domestic and import market.

This consolidation of plug types is made possible due to Champion's unmatched expertise in state-of-the-art spark plug engineering and design improvement.

Engineering accomplishments, like those that led to our consolidation of plug types, help you move Champion spark plugs faster and more profitably.

Remember. All these advances are coming to you from Champion, the world's leading spark plug in both racing and popular acceptance. No doubt about it. Champion's the one to win with in 1982.

CHAMPION PUTTING PERFORMANCE BACK IN YOUR BUSINESS

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AUTOMOTIVE

Specialty Chain Census

Pep Boys will cross the $330-million-sales mark this year with 110 stores in operation, 74 of them in California and Pennsylvania and the rest in four eastern states, the District of Columbia and Arizona. *(DSN photo)*

Pep Boys Is Completing Its Conversion to Self-Service

PHILADELPHIA—Two years into the Pep Boys' conversion program, only 10% of its 110 stores remain to be remade into self-service-style stores.

"The new approach allows us to save on labor costs by reducing the number of sales clerks needed. At the same time, it encourages customers to browse through the stores more, increasing tie-in sales," said a Pep Boys spokesman.

The conversion program is expected to be completed by the end of this year, but the spokesman emphasized a final date hadn't been cut in stone.

This year, he said, the chain will open one unit, in suburban Philadelphia. In 1981, new stores were opened in Granada Hills, Calif., Phoenix and Tucson, Ariz., and Philadelphia. The stores built last year and this will be 15,000 sq. ft.-22,000 sq. ft., including service bays.

Average store size for the chain has gotten larger over the past two and a half years due to the shuttering of the chain's smallest units, which averaged 5,000 sq. ft.-7,000 sq. ft.

Net sales for the fiscal year ended Jan. 31, 1982, rose 16.8% to $233,454,000, up from the $199,823,000 reported in the previous year. Net earnings advanced 44.5% to $11,159,000 from $7,722,000.

Tire sales accounted for 12.3% of total volume in the latest fiscal year, down from 13.5% and 15.4% of volume the previous two years. The company spokesman attributed the downturn to a reduction in consumer driving and longer tread life in certain tires.

Expenses—including cost of goods sold, buying, warehousing, and occupancy; selling, general and administrative costs, and interest charges—decreased as a percentage of net sales to 92.4%, or $215,621,000, in the last fiscal year from 93.9% or $187,675,000 in the previous year.

ANCO'S COMPACT LINE:

3 SKU'S EQUAL 93% COVERAGE.

Of course, ANCO's compact line of wiper blades and refills comes in colorful individual window box packages *with all the appropriate adapters inside.*

But more importantly, ANCO's compact line lets you choose the amount of market coverage you want.

That's why we call our line the "short and sweet" line...the line that can be as large or as small as your business demands and still be complete.

You can choose an inventory as small as 3-blade and 3 refill sizes for good market coverage. (Approximately 93% coverage of the entire wiper replacement market.)

Or choose from several assortments that can give you even greater market coverage.

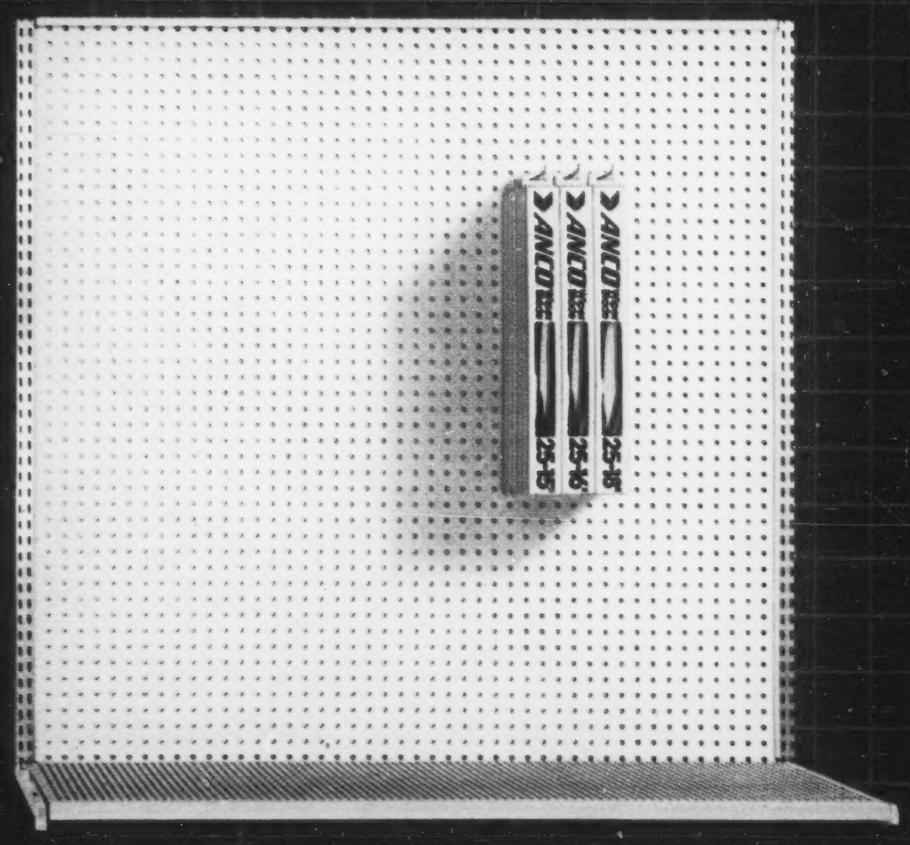
You can even choose a compact line inventory exclusively for the import market.

No matter what kind of ANCO compact line inventory you choose, you get the support of a large and knowledgeable sales force. (To make sure you get what you want, when you want it.)

You also get the benefits of selling the only line in the industry backed by network television advertising and exciting consumer promotions.

Find out how ANCO's compact line can cover all the wiper sales you want.

CALL TOLL-FREE
1-800-835-2246
(In Kansas: 1-800-362-2421)
Ask for EXT. 54



ANCO®
To see your way clear.
Gary, Indiana 46440

Smitty's

(Continued from page 17)

sales floor.

Betz estimates the new system will save each store about 18% of its annual electricity costs. The system offers an eight-year payback based on the actual dollars per kilowatt hour currently paid and the construction costs to install the equipment.

In inflationary times, Betz pointed out, power company rate increases are substantial, and as long as those costs continue to rise the new system "can't do anything but save more money." The payback period will shortened, he added, if the per kilowatt hour costs of electricity goes up.

The heat for the store, Betz said, is scavenged from hot water in the commercial refrigeration compressors. "We don't need a lot of heat," he said. "When you scavenge it's free because the commercial compressors run 24 hours a day, seven days a week."

To cool the store, Betz said the cold air is scavenged from the refrigeration units in the supermarket side of the stores. The system draws off the cold spill air from the cases and redistributes it throughout the store. The system scavenges about 50 tons of cooling air from the refrigeration cases and provides a more uniform temperature throughout the store at a much quicker pace.

The centralized heat recovery system has proved to be more efficient than the previously used roof-top packages, Betz said. The 26 roof-top units for a store of 110,000 sq. ft. would provide about 385 tons of cooling to keep the store comfortable in temperatures that reach 115 degrees. These temperatures are not uncommon in Arizona, where all the Smitty's stores are located.

The heat recovery system provides about 310 tons of cooling in total, of which only about 100 tons are needed to establish a comfortable store environment in those temperatures, he explained.

AUTOMOTIVE

Specialty Chain Census

Oil Is Still Slick Draw

Despite traditionally low margins caused by sharp pricing, discounters like this Rink's, New Philadelphia, Ohio, and auto specialty chains use oil as departmental traffic draws. *(DSN photo)*

Grand's Sales, Profits Skyrocket Via Remodeling, Cost Control

OAKLAND, Calif.—The remodeling program undertaken by Grand Auto enabled the chain to rack up nearly $120 million in sales in 1981, a 19.8% increase over the $100.2 million reported in 1980.

Net earning rose 25% to $2.6 million, compared with $2.1 million in the previous year.

Much of the success is attributed to a cautious corporate philosophy which calls for no further store additions to the current 79 units through the end of 1982.

Grand has designated sufficient funds to add six new retail stores within the next 12 months, according to president and ceo Irving E. Krantzman.

The $20 million total sales increase over 1980 was due to what Krantzman termed "tough inventory and expense control programs put in place because of the difficult economic environment during the past year's last two quarters."

Additionally, the company refined its cost control programs including shrinkage control and the renegotiation and integration of Grand's credit line with several banks. The credit line renegotiation resulted in a net reduction of interest expense.

There was continued emphasis directed to increasing sales of the larger gross-margin categories, which resulted in an 18% sales improvement in parts and accessories and a 34% jump in tires. Both categories were helped by newly developed newspaper, radio and television promotion programs.

Grand continued its store remodeling program, investing $2.1 million in capital improvements, with the resulting average transaction increase justifying the upgrading costs.

The chain's initial southern California unit, a 15,480-sq.-ft. store, was opened in May '81 in Bakersfield. The unit was designed, laid out and merchandised to do $3 million in annual sales. "This store has exceeded our sales plan and has been well received by customers in the Bakersfield market," said Krantzman.

The move into Bakersfield signaled the chain's interest in mining the market potential it perceives in its home state.

"Our decision to penetrate the Los Angeles marketplace has been reinforced by our successful experience in Bakersfield," said Krantzman. The chain is currently negotiating for multiple locations in the metropolitan Los Angeles market with the long-term intention of becoming "a dominant factor in the southern California auto market," he added.

Grand's chainwide remodeling program, begun in 1979, is nearing completion as 18 more stores were remodeled last year, with only 11 remaining to be completed.

Shifting hard parts to the rear of each store was considered the primary move of the new layout. Other features of the remodeling include a move toward earth-tone store interiors in order to make the stores more appealing to the increasing number of female customers.

The chain operated 400-plus service bays in 74 of its 79 stores, which are concentrated in the northern California and Nevada markets.

MOTORCRAFT PRESENTS THE MOST COMPLETE LINEUP OF AFTERMARKET PRODUCTS WITH A BUILT-IN MARKET.

Spark plugs to filters. Oil to batteries. Motorcraft offers more fast-moving products under one name than anyone else.

And the quicker you stock Motorcraft, the faster things start moving. Because Motorcraft products are factory-recommended replacement parts for over 35,000,000 Ford cars and trucks on the road today. Not to mention our extensive coverage for GM, Chrysler, the imports, and more. But coverage is just the beginning.

FREE CONSUMER BELT BUCKLE KEY CHAIN OFFER From June 1 through August 31, we'll help you grab an extra share of Motorcraft profits by offering retail customers a free Ford belt buckle or key ring with purchases of oil, plugs, or filters. And to sweeten the deal, there's a 100% co-op ad allowance as well as free consumer premiums which direct accounts can pass on to all levels. One more example of how Motorcraft promotions build traffic for you.

In short, Motorcraft does it all. From powerful national advertising and generous co-op programs, to effective promotions and packaging.

And there's more. For complete information on the most complete lineup of aftermarket products with a built-in market—contact your Motorcraft supplier today. Or call us at 1-800-521-4114 (1-800-482-4102 in Michigan).

Ford Ford

Motorcraft ...FOR SURE

Fleenor's Dolls Up To Attract Women

INDIANAPOLIS—Fleenor's, the 48-unit chain headquartered here, is responding to women motorists.

The company has begun a chainwide remodeling program in order to "make our stores less forbidding to women customers," according to a company spokesman.

In addition, the company is shifting the emphasis in its merchandise mix. For example, it is expanding its foreign auto parts section to serve better the growing number of imports on the road, and eliminating slow-moving categories, like tires.

Tires, which accounted for less than 5% of total sales in 1981, had been plagued by low margins, a result of increased competition from TBA centers, a company spokesman said.

A chainwide point-of-sale (POS) system due to be installed by the end of 1982 will electronically connect all the company's stores to its sole warehouse in Muncie, Ind., and will greatly enhance Fleenor's ability to adjust its inventory control to the needs of the marketplace.

SPORTING GOODS

Specialty Chain Census

Herman's Projects 3-5 '82 Bows After '81 Lull

CARTERET, N.J.—Herman's will resume expansion of its store base with the focus on existing markets, following last year's retrenchment.

Consolidation was the emphasis during 1981 when the chain held store count steady by closing a unit in Springfield, Mass., because of weak performance, and opening one in a more profitable Bay Shore, N.Y., location.

Earlier this year management let the lease on a Pennsylvania store, located in a dying downtown area, expire, cutting store count to 91.

This year the chain is expecting to open three to five units in states where existing units are doing well. Herman's president Jack Smith reported the chain is looking at locations in Pennsylvania, Delaware, New York and New Jersey.

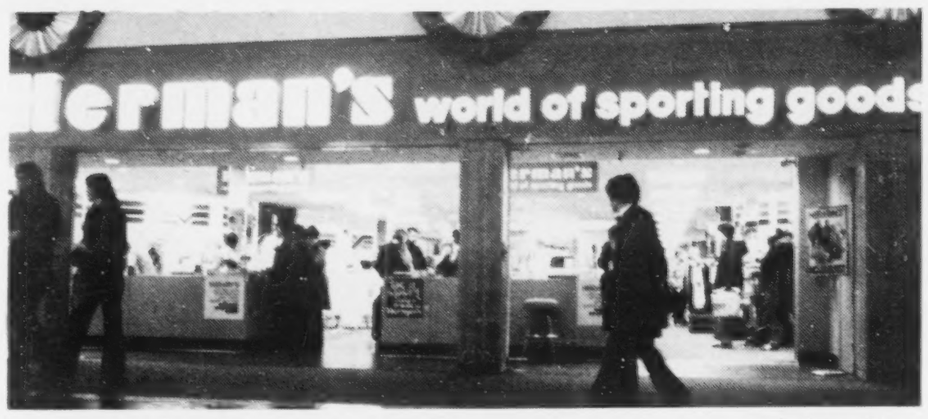
Herman's is trailing Oshman's, the No. 2 chain in volume, in store count with 91 to Oshman's 157.

Sales for Herman's hit $243 million in 1981, a figure $27 million higher than Oshman's, whose expansion plans outstrip those of Herman's by about five units.

Last year's halt of expansion by Herman's was thought to be associated with the proposed deal between W. R. Grace, owner of the Herman's chain, and Dutch retailer Vroom & Dreesman B.V. Grace had agreed to sell a 50% interest in its retail division (including jewelry, western wear and home center stores) to the Dutch firm. The Grace/Dreesman deal eventually fell through.

Herman's president Smith reported a strong dedication by Grace to its retail division, which garnered sales of $1.8 billion in 1981—a $250 million jump from the previous year. Sales growth for the sporting goods and jewelry operations (listed together by Grace) averaged 14.9% annually.

For the future, Smith expects that rate to remain steady. "We have faith that the economy will turn around," he added, "and when it does we will fly with it."



Herman's, the top-volume sporting goods chain, is examining sites for new stores as expansion is resumed this year. Of the three to five openings planned for 1982, one will be a mall unit in Queens, N.Y.

Herman's Is Still No. 1

Chain	No. of Units May '81	May '82	Dec. '82	Sales in Millions Last Fiscal Year
Herman's	92	91	95	$243
Oshman's	137	157	166	216.4
Big 5	57	60	62	N.A.
Sunset Sports	36	36	42	65
Dave Cook	14	14	15	N.A.
Gart Brothers	11	11	11	N.A.
Michigan	8	10	12	21
Brendamour's	12	15	15	9.5*
Casey's	7	8	8	N.A.
Colman	4	4	4	N.A.
Hollywood Sports Plaza	4	4	5-6	4.8*

*Company estimate. N.A.—Not available.

New Profit Lifts From Quaker State

Buy 45 cases of HD or Sterling Motor Oil 24/1 Qts. Get 5 cases FREE!

Buy 44 cases of HD 6/1 Gals. Get 5 cases FREE!

Buy 38 cases of HD 4/5 Qts. Plastic. Get 4 cases FREE!

Applies to orders received June 15 through July 15, 1982, and shipped at the earliest possible date. Prices for featured products firm throughout promotional period. Case orders only. No purchase limit.

When you advertise Quaker State HD or Sterling exclusively, you'll receive 125% of your ad cost. (See our 1982 Retail Allowance Program).

Order today. Ask your Quaker State participating distributor, or Sales Representative about your free cases of Quaker State HD and Sterling.

Get a big profit lift from Quaker State.

Quaker State: Pipeline to profits.

Six Sunsets Are Due by Ski Season

SALT LAKE CITY—Sunset Sports plans to strengthen its foothold in five Rocky Mountain states by launching six new stores in time for the winter 1982 ski season.

The move to boost store count 16.6% this year follows last year's acquisition by parent company Malone & Hyde of the six-store Wolfe's operation. The deal locked up the Utah market for the Sunset division. (Malone & Hyde is a Memphis-based food wholesaler.)

Sales for Sunset, including the six stores still operating under the Wolfe's name, hit $95 million for the fiscal year ended June 1, 1982. That 46% gain over the $65 million recorded a year earlier can be attributed to the Wolfe's stores as well as a busier ski season. (The Wolfe's stores only contributed to last year's volume for about six weeks.)

Third-quarter sales, which reflect the height of the ski season, gained 50% over 1980. Doris Ferguson, manager for financial relations for Malone & Hyde, reported that without volume generated by the Wolfe's stores a healthy 20% gain would have been recorded.

Ferguson expects the chain will continue to chalk up 20% annual sales gains over the next few years.

Malone & Hyde doesn't break out earnings for the Sunset stores from its other retail operations, which include auto parts stores and drug stores.

Acquisition of the Wolfe's stores hiked square footage of the Sunset division by 42%. This year six new stores are planned.

Ideally all six stores would be in operation by Dec. 1, 1982, to tap the profitable ski season. However no definite dates or store locations were available at presstime. Ferguson reported that all new stores will be located in the mountain states of Idaho, Arizona, Wyoming, Utah and Washington, where Sunset has already established a foothold.

SPORTING GOODS

Specialty Chain Census

Making Seasonal Pitch

Spring sparks a new pitch in sporting goods in a Springfield, Ohio, Gold Circle. Everything for the baseball player as well as the spectator is featured in this display, which hones in on the time of year and the local area team. *(DSN photo)*

Oshman's Expansion to Focus On Abercrombie & Fitch Units

HOUSTON—Oshman's Sporting Goods' expansion will focus on its upscale Abercrombie & Fitch stores with a 175% jump in the number of A&F units planned by the end of fiscal '82.

The stores operated under the A&F name will total 13 by Jan. 31, 1983, as compared to four a year earlier.

Total store count for all Oshman's operations, including the Honsport stores in Hawaii, will be boosted by 11.4% to 166 by the end of fiscal '82.

Sales based on 149 stores at the end of January 1982 climbed 49% from the previous year to $216 million. Volume for '82 reflects business generated by 33 stores acquired from the defunct Zale chain in January of 1981.

Oshman's, the leader in the sporting goods store-count poll with 157, is edging up on 91-store Herman's in volume. In 1980 Oshman's volume trailed Herman's by 80 million. For '81 that gap narrowed to only $27 million. Marvin Aronowitz, coo, was not available to make sales projections for fiscal '82.

The huge volume increase in 1981 was attributed to strong fourth-quarter sales, 46% higher than year-earlier figures. Ceo Alvin N. Lubetkin said better ski conditions and a substantial number of new stores contributed to the upsurge.

Earnings for the year of $7.552 million reflected a 51% increase over 1980 figures. A drop in LIFO charges from 13¢ per share to 7¢ per share was a strong factor in the earnings hike. Earnings per share for the year rose to $1.12 from 74¢ in 1980.

Fourth-quarter earnings for the company were up a whopping 73% over the year-earlier period.

Oshman's 1982 expansion is well under way with eight of the 17 stores slated to bow already in operation. Of the seven A&F stores planned for this year, one has opened. It is in Georgetown, a high-income district of Washington.

Lubetkin reported the chain "will continue to aggressively open Oshman's stores, as we have in the past. But the results of the Abercrombie & Fitch stores encourage us to move a little faster than before [on expansion of the division]."

The company operates 10,000-sq.-ft. A&F stores in Beverly Hills and Dallas. Smaller stores, about 7,500 sq. ft., are located in Santa Ana, Calif., Las Vegas and Georgetown. The merchandise focuses on top-quality, high-ticket lines. Leading apparel lines, an extensive gun assortment and top hard good lines are included.

The Oshman's stores range in size from 8,000 sq. ft. to 14,000 sq. ft. The broad, competitively priced assortment includes camping equipment, soft and hard goods ski sections, consumer electronics, gifts, games, athletic shoes and equipment for all sports. About 40% of the stores are located in Texas and almost as many in California.

Last Morsan Strikes Out

PARAMUS, N.J.—The last Morsan store closed its doors for good late last month, marking the end of the sporting-goods chain.

The five-store chain filed Chapter XI of the Federal Bankruptcy Act in May of last year. By the end of 1981 four stores in Fresh Meadows and Farmingdale, N.Y., and Union and Totowa, N.J., had been closed.

Lionel Corporation bought the remnants of the chain in January, when the Paramus unit was the only one left open.

Hills Unveils Two On Its Way to 100

CANTON, Mass.—Hills recently opened 80,000-sq.-ft. stores in Bloomington, Ind., and South Hills, Pa., bringing the chain's total store count to 95.

The openings, the first two for Hills this year, are part of the chain's plan to reach the 100-unit mark by the end of 1982.

The Bloomington unit, located in the Jackson Creek Shopping Center, is the chain's first store in that market. The store will compete with two K marts, a Target and a Danners.

Hills' South Hills unit, located in the Village Square Mall in Bethel Park, a Pittsburgh suburb, is the chain's second in the area. A single Murphy's Mart will provide the only immediate competition for the new unit.

The chain recently announced the location of one of its five remaining stores to be opened this year. The 80,000-sq.-ft. unit will be located within Pittsburgh in The Water Works shopping center adjacent to the borough of Aspinwall.

He gets pure beef. You get pure profit.

That's the Mighty Dog difference.

And what a difference it is... You'll make a whopping 60%–70% more profit on the same amount of shelf space.

Why? Because when your customers switch to Mighty Dog, they'll take home two cans for every big can they used to buy.

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James Taylor Southern Regional Manager for Special Markets. **404-972-8107**

Toys "R" Us Eyes $1 Billion Volume Within Two Years

ROCHELLE PARK, N.J.—Toys "R" Us continues to bound away from the rest of the retail toy field.

The industry giant is poised to become the first $1 billion toy specialty chain within the next two years, based on its fast-track growth last year, which saw the company add 19 stores, enter one new market area and hit $738.8 million in volume just from its toy units.

This pace, which resulted in Toys "R" Us accounting for about 9% of the country's toy retailing market, up about 1.5% from 1980, will be emulated this year as the company projects opening 22 to 24 new stores and entering southeast Florida as its newest market.

Already set as an expansion move in 1983 is the company's thrust into Georgia, Alabama and Tennessee, to be served by the opening of a distribution center/warehouse in the Atlanta area, Toys "R" Us's 12th such facility.

More Stores

The entry into a new market, coupled with the opening of a distribution center/warehouse to serve the area, reflects Toys "R" Us's growth program in past years. Last year, the chain opened a facility in Pennsauken, N.J., to serve the three stores unveiled in the Greater Philadelphia Area, along with its half dozen units in southern New Jersey.

Its move into southern Florida with five stores this fall will be preceded by the opening of a distribution center/warehouse in the summer in the Miami area. The rented facility will eventually be replaced by a company-owned building.

The 19 new Toys "R" Us stores added last year resulted in the toy division sales going up 33.3% from $554.2 million to $738.8 million.

Total company sales, which include volume from 10 conventional department stores hit $783.3 million, a 31.1% gain from $597.3 million. The toy stores' share was 94.3% vs. 92.8% in 1980.

The boost in sales was accompanied by a 69.3% jump in the company's net earnings, which hit $48.9 million from $28.9 million.

Two of the firm's conventional department stores—which were profitable as a group—have been disposed of and three more are expected to be sold during the year. The Hill's in Vincennes, Ind., was sold to the store manager, while the Huntington Store in Huntington, W. Va., was shut.

Besides planning to open at least 22 new Toys "R" Us, the company has geared up for its move into the $1 billion retail sales club by promoting Norman Ricken to president and chief operating officer from senior vice president-finance.

Charles Lazarus, who founded the company, continues as chairman and chief executive officer.

Toys "R" Us has also expanded its merchandise assortment by adding personal computers to its mix, with units from Commodore and Texas Instruments already in the stores.

The initial effort has computers and software shown on hanging displays, similar to the presentation for other large, bulky, high-ticket merchandise.

But, the chain's long-range plan is to develop a presentation that will have working models, so that customers can try out a machine.

The company has changed the financial nature of its expansion plan and now projects owning as many of its new stores as possible. This move reflects the high interest rates, and the greater depreciation benefits for real estate ownership possible under the 1981 tax law.

One of the new stores in which Toys "R" Us will have an ownership interest is the former 205,000-sq.-ft. Korvettes in Bay Parkway, Brooklyn. A 40,000-sq.-ft. Toys "R" Us is due to be one of the retailers in the redeveloped unit.

Toys "R" Us Is No. 1

Chain	No. of Units May '81	May '82	Dec. '82	Sales in Millions Last Fiscal Year
Toys "R" Us[a]	85	120	142	$738.8
Lionel Leisure[a]	96	105	75	240.0
Child World	68	71	79	220.3
Kay-Bee	N.A.	313	350	143.2
Circus World	117	129	142	55.0
Toy World	53	51	53	35.0
Play World	11	11	11	24.2
TSW	11	11	11	14.4
Hobby Center	22	23	25	8.0
Play House	16	22	23	N.A.

(Some figures are DSN estimates.) N.A.—Not available. [a]Toy stores only.

Hobby Center Will Unwrap 2 Mall Stores

HOLLAND, Ohio—Hobby Center plans to open two mall toy stores this fall to hit the 25-unit count.

Volume for the privately held company is projected at $8.5 million for 1982, up about 6% from $8 million.

The company is considering adding personal computers, a spokesman said, with a key concern finding the space in its average 3,000-sq.-ft. unit. It would mean footage would have to be taken away from some other category, and there isn't any area whose volume has dropped enough to warrant a sharp cutback.

Margins Inch Up

Hobby Center already carries such family entertainment electronics as Atari and Intellevision, with low prices for the basic units a traffic builder, and cartridges and other add-ons used to generate gross margin dollars.

Family entertainment electronics are low-priced compared to personal computers, the spokesman said, and it's questionable whether the latter would produce enough traffic to justify trading dollars, which is what is likely to happen should computers be added to the mix.

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ICE CREAM PARLOR LIP GLOSSES
3 DELICIOUS, SOOTHING LIP GLOSSES
STRAWBERRY BANANA GRAPE
NET WT .13 OZ. EACH/TOTAL NET WT .39 OZ.
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REGISTER 1982 RECORD SALES WITH RAGGEDY ANN PLAY COSMETICS
Kids love Raggedy Ann. Mothers trust her. That's why she's always been a best seller. And now she represents even greater sales success with her safe, non-toxic and washable Raggedy Ann Cosmetic Fragrance line. Packaged with outstanding quality, value and love. Priced to move quickly off your shelves into the arms of millions of little girls.
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TOYS

Specialty Chain Census

Child World Projects Eight Bows in '82

AVON, Mass.—Child World projects opening eight new stores this year and adding personal computers to its mix to broaden its market appeal.

The 71-store company, which uses the Child World name for its stores in the Northeast, and the Children's Palace logo in the Midwest, hit $220.3 million in sales in the fiscal year ended Jan. 30, up 26% from $178.2 million.

The increase reflects the increased inventory carried by the chain under its new owner, Cole National, which acquired the toy company last year.

Part of the augmented inventory investment went into higher-ticket electronic and video game merchandise, and the addition of personal computers will be an expansion of that move.

Child World plans to have working models of the computers on display within its electronics section.

This focus on higher-ticket merchandise that appeals to a broader range of shoppers was also behind the chain's setting up a gift registry of toys for mothers-to-be.

The immediate goal of introducing a mother-to-be registry is an increased share of the layette market. The increased traffic will also provide greater exposure for the toy store and could lead to additional sales.

Child World has also implemented a birthday club for children under 12.

Both the mother-to-be registry and birthday club involve customers leaving their name with the toy store.

In the case of the mother-to-be program, the expectant mother lists the items she wants on her registry form. In turn, the registrant receives a free gift and 10 postcards containing the registry information which she can send to relatives and friends.

As purchases are made of items on the registry, they are checked off the registry listing to avoid duplication of gifts.

Child World's projected expansion denotes the key position the chain has in the Cole National conglomerate.

The parent company's 1981 sales of $407.7 million were more than double the $174 million volume of 1980. The toy operation accounted for 54.1% of Cole National's sales in 1981.

Cole National's net income in the latest fiscal year of $8.7 million was up 30.4% from $6.7 million.

HRT's Lubin Is Honored at Fete

NEW YORK—Senior vp of HRT Industries Inc., Los Angeles, (parent company of Zodys) Elliot B. Lubin was honored at a testimonial banquet sponsored by the City of Hope.

Lubin was feted at New York's Sheraton Centre on June 8 for his support of the medical center.

The City of Hope specializes in major catastrophic maladies including cancer and leukemia, blood, heart and lung disorders, diabetes, lupus, and other diseases of metabolism and heredity.

Lionel Leisure Restructures Toy Division

NEW YORK—Lionel Leisure has restructured its toy business into two distinct operations—toy supermarkets and basic toy stores—as part of its Chapter XI recovery plan.

The company has pared its toy operation to what it projects will be a smaller, more profitable core of 75 stores by closing 30 units, along with five distribution centers.

Leonard Wasserman, one of the originators of the toy supermarket concept and founder of the Kiddie City chain that was eventually acquired by Lionel, has rejoined the company.

He will be responsible for Lionel's toy merchandising and marketing programs, with his exact title pending board-of-director approval at presstime.

Lionel's efforts to become a smaller toy company were a response to its shotgun growth in 1980 and 1981 which saw the company unveil 40 stores in 1980 alone, acquire two toy chains and expand into California and Texas.

This growth, which was poorly timed and came just as the nation started to slide into a recession, was cited as the trigger that set off Lionel's Chapter XI.

Lionel has presented a business plan for its continuing operations to its creditors, which was approved, a company executive said. Its plan to settle debts is due this month.

A Step Forward

The company has obtained $15 million in a revolving credit agreement with Chemical Bank, securing the funds with stock of Dale Electronics, a profitable subsidiary.

Manufacturers who have been supplying the company since its filing in February have been granted a super priority status for payment.

As for Lionel's retrenchment, the closings involved all six stores in California along with individual stores in other locations.

The Texas stores—Fun City Toys units acquired in 1980—as well as the Toy City units also bought that year from Consolidated Toys, have been repositioned as basic toy stores under a new name, Toys Plus. This scaled-down 18-unit operation has stores in Texas, Kansas, Nebraska and Oklahoma.

Lionel's traditional toy supermarket operation has been trimmed to just 57 stores under such logos as Kiddie City, Lionel Playworld and Toytown.

At the height of its operations at the end of 1981, Lionel's 105 stores generated slightly over $240 million in sales. The company's bankruptcy filing noted that the net loss was $5.5 million.

This loss came after the company has repaid $85 million in unsecured debt in December 1981 to a number of banks and insurance companies. Despite this repayment, the financial lenders refused to continue their support. This forced Lionel to file Chapter XI in an attempt to hold off toy manufacturers—which are owed more than $90 million—while using its cash flow to replenish and maintain its inventories.

The company will also use Federal tax refund monies and royalties from General Mills' use of the Lionel name for toy trains to pay for merchandise.

Lionel hasn't sharply changed the merchandising of its toy supermarket units. These stores are continuing to offer personal computers, an area the company added during the past holiday sales period.

As one of the first toy retailers to offer personal computers, Lionel set up a special section with demonstrator units for the computers. Computers and peripheral equipment are mass displayed on gondolas while pilferable software modules are in glass showcases for security.

The toy operation accounted for about 72% of Lionel's sales while its Dale Electronics arm did about 26% and license fees 2%.

Lionel's restructuring doesn't include selling Dale, a company executive asserted, as this operation continues to be profitable.

Boys love to play with Masters of the Universe.™ Not just for a day, but every day of the year. Which is why at Mattel, we like to think of ourselves as the year-round toy company.

With a year-round marketing program that provides year-round profit opportunities from the Masters of the Universe line. Already airing is a TV campaign backed by our multi-million dollar advertising budget. Even more excitement for the line is being generated by DC Comic Books, telling exciting tales of the Masters

TOYS

Specialty Chain Census

Kay-Bee, Under New Owner Melville, Seen Doing $400 Million by Late '80's

LEE, Mass.—Kay-Bee, under its new owner, retail conglomerate Melville, is expected to grow at an annual rate of 25% and become a $400 million operation by the late 1980's.

The toy chain, which had 270 stores by the end of last year and expects to have 350 by the end of 1982, and $107 million in sales for the six months following its July 1981 acquisition by Melville.

Melville's annual report indicated that Kay-Bee's total volume in 1981 was $143.2 million, up 47.2% from $97.3 million in 1980 when the company was privately held.

That growth, along with the long-range outlook projected by Melville officials, explained why the conglomerate added the toy company to its table of nine specialty store chains. Melville acquired Kay-Bee for $64.2 million, paying $7.1 million when the move was consummated last year, with the remaining $57.1 million due to be paid over a three-year period.

Melville's purchase of Kay-Bee was broken down as follows in the annual report: goodwill, $45.6 million, and property, plant, equipment and leasehold improvements, $16 million.

The report noted that the acquisition "has been accounted for as a purchase and the excess of cost over the net assets acquired is being amortized over 40 years."

Melville acquired Kay-Bee to extend its assortment of specialty store chains into a new area—toys—which will strengthen the conglomerate's hand in dealing with shopping center developers by offering builders a greater variety of stores for their malls.

Kay-Bee's operating profit for the six months under Melville was $20.7 million, or 19.3% of sales. This percentage is higher than the operating profit percentage for Melville's three other main retailing groupings: apparel, footwear, drugs and health and beauty aids.

Kay-Bee's percentage, of course, is skewed by the fact that the operating profit came from volume generated during the toy company's key third- and fourth-quarter holiday sales period.

The toy chain has units just in malls in 43 states and has already opened 43 of the 80 new stores projected for this year. All the new units will go into markets where Kay-Bee already has stores.

Kay-Bee's stores average 3,500 sq. ft. and merchandise basics and impulse-type toys and hobby merchandise, including electronic games.

Personal computers aren't merchandised, a spokesman said, because they don't fit in with the chain's children and impulse toy orientation.

Toy World's new layout, seen in Weberstown Mall, Stockton, Calif., has checkout area along side wall, freeing center of store for display of bulky and promotional goods. *(DSN photo)*

Redone Toy World Layout Creates Bulk-Item Space

BURBANK, Calif.—Toy World has revamped the layout of its stores to develop space for the display of bulky seasonal merchandise such as pools and bikes.

The chain's stores average 3,600 sq. ft. and are only in malls.

The new setup involved moving the checkout area, which was in a corral in the center of the store, to a side location, thereby freeing space in the middle for feature tables, and platforms for bulk displays.

The tight selection of bikes ranges from 16-in. to 26-in. models and includes land cruiser and BMX types that appeal to consumers on the West Coast, where the chain has most of its stores.

The above-ground swimming pools are offered in special displays that show just photos plus samples of the sidewalls and liners of the models carried.

Toy World, which is a division of Rasco Stores, had $35 million in sales in 1981, up about 10% from $31.8 million in the previous year.

The chain expects to open two new stores this year to return to the 53-unit mark.

Computers Added by Play World

FARMINGDALE, N.Y.—Play World has added personal computers—from Texas Instruments and Commodore—to its mix.

Only boxed stock is available, a spokesman explained, as customers are presold through TV ads.

The merchandise expansion came as the chain held off on opening more stores in its suburban New York City market due to the economy.

The chain, a division of Greenman Bros., housewares and toy distributor, has 11 freestanding stores and six leased departments in Modell's discount stores.

Play World's sales in its last fiscal year dropped 7.5% to $24.2 million from $26.2 million.

The chain has kept housewares departments in two toy stores due to the availability of space.

Play House Swells Houston Stronghold

HOUSTON—Play House continues to focus its growth on the Greater Houston market and projects opening a total of four stores there this year.

Three have already been unveiled in that area, pushing the chain's total count to 22, with a fourth due in the fall.

of the Universe and their adventures with other Superheroes.

Add to that licensed products like children's nightwear, board games and poster-sized coloring books. And you'll see why this product line is already a super seller this year.

As we said, year-round sales mean year-round profits. And for you, that means success for all seasons.

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SUCCESS FOR ALL SEASONS.

APPAREL

Specialty Chain Census

Mervyn's: $3B Biz By '85-86

HAYWARD, Calif.—Mervyn's, which hit the landmark of $1.1 billion in sales last year, is expected to triple its volume by 1985-86 to $3 billion.

In addition, John F. Kilmartin, chairman and ceo, projected Mervyn's would be a nationwide operation by 1990, rather than an operation concentrated primarily in the West.

The 1981 earnings performance of the giant soft goods operation was also impressive. Operating profits were $119.6 million, a 57% increase over 1980's $76.3 million.

For the first time, Mervyn's operating profits surpassed those of its parent Dayton Hudson's largest division, the $2-billion-sales Target chain. Target's operating profits were $108.7 million last year, a 19% increase over 1980's $91.1 million.

Mervyn's plan to reach $3 billion in the next four years or so includes more ambitious expansion plans than were announced just six months ago. The earlier plan called for 131 stores with a total of 10.5 million sq. ft. of space in operation by 1985.

The new blueprint calls for 100 new stores to open by 1985-86. With the prototype store being 78,000 sq. ft., this would bring the operation to roughly 14.1 million sq. ft., about a one-third upward revision of the chain's expansion plans.

More Stores

Currently, Mervyn's operates 83 units. California is still its stronghold with 59 stores, but it has opened stores in seven other Western States: Arizona, 6 units; Utah, 6; Nevada, 4; Oregon, 3; Texas, 2; New Mexico, 1, and Washington, 1.

The chain's new stores will be opened primarily outside of the heavy northern California concentration and prepare the way for what Mervyn's plans as its second region. This newly carved area will be called the South Central Territory and will include four states—Texas, Oklahoma, Arkansas and Louisiana.

By 1985, Mervyn's will serve that four-state area from a 400,000-sq.-ft. distribution center in Plano, Tex., north of Dallas. Two years later, the Plano facility will be expanded by another 150,000 sq. ft. It will house its own buying, merchandising and sales promotion staff. The plan is for the Plano facility to be a duplication of the Hayward, Calif., chain headquarters.

At the end of 1982 the South Central Territory will have just three stores: two now operating in El Paso, Tex., and a third to open in Amarillo, Tex., in October.

The store count in the territory will be substantially beefed up by the new store-opening plan. Of the 100 units projected, 35 are slated for the South Central Territory. Ten of the 35 will be located in the Dallas-Fort Worth area.

A spokesman for Mervyn's pointed out that even though specific plans for new units in other states in the South Central Territory haven't been announced, Mervyn's can move very quickly into new locations and markets.

Downey and Mon
MERVYN'S
grand opening
sale
sale! entire stock of 14kt. gold and brilliant diamonds
Give her a lovely Mother's Day charm or other beautiful gifts of jewelry this year. 14kt. gold in shining 7 to 30 inch chains, charms, charmholders, earrings and pendants. Rings, too, in 10kt. or 14kt. gold. Reg. 10.00-325.00. 5.99 to 194.99
Diamonds set in elegant 14kt. gold. Rings for both women and men, pierced earrings, pendants and bracelets. Reg. 150.00 to 1665.00. sale 99.99 to 998.99
Fine Jewelry Department.
40% off

The backbone of Mervyn's advertising strategy is its every-Monday tabloid. The pulling power of the 25-30-page tab is one way the chain quickly establishes itself in a new market.

Apparel Chains Are Hot

Chain	No. of Units May '81	No. of Units May '82	No. of Units Dec. '82	Sales in Millions Last Fiscal Year
Mervyn's	73	82	92	$1,062.0
Marshalls	84	108	136	618.3
T. J. Maxx	48	69	84	225.0*
Loehmann's	54	56	56	210.0*
Hit or Miss	247	263	279	143.0*
Pic-A-Dilly (Its-A-Dilly)	194	202	215	100.0
J. Brannam	27	39	39	55.0
Beno's	57	60	62	40.0
Off The Rax	54	71	72	31.9
Filene's Basement	4	6	9	N.A.

*DSN estimate. N.A.—Not available.

Take inventory of your control.

High carrving costs. Tight cash flows. Excess merchandise. Poor product mix. Frequent stock-outs. As your business grows, so do inventory management problems.

The Bell System can help. We've identified software vendors who specialize in the needs of retailers. Our data communications products now allow you to centralize purchasing operations electronically, to keep a tight rein on your inventory. Your data base plus any one of several Bell data terminals puts one person in control to manage information at the corporate end. Meanwhile, members of your field force can now do what they do best: sell.

The result: your inventory turn is increased while your inventory investment is cut. More timely information allows for better purchasing decisions—reducing stock-outs. And improved customer service is the inevitable result.

Take inventory of your control and then control your inventory, with an information management system that makes retailing easier selling. One call to your Bell System Retail Account Executive will put you in the driver's seat.

The knowledge business

APPAREL

Specialty Chain Census

Marshalls to Nudge $800 Million For 1982

WOBURN, Mass.—By the end of 1982, Marshalls intends to be No. 1 in sales and profits among the nine divisions of Melville, its parent.

Sales of $798 million are projected for 1982. This 29% increase over last year's $618 million will put Marshalls ahead of the current top division, Meldisco, which operates the footwear departments in all United States K marts.

The 34.2% increase last year, the largest in the Melville group, put Marshalls ahead of the 1,261-store Thom McAn shoe division for the first time.

Marshalls' growth has been dramatic since its 1976 acquisition by Melville. Having only 32 stores at the time, the chain went on to close 1981 with 108 units. Another 28 stores are planned for 1982, bringing the total to 132.

Most of the 1982 openings are designed to beef up existing markets. Some groundbreaking will take place in new trading areas such as Denver, San Antonio, Minneapolis, Reno and Rochester.

New store openings have contributed to the chain's rapid growth, but management maintains the soft economy in recent years has been advantageous by driving more affluent customers to the off-price apparel and domestics operation.

Marshalls has been taking advantage of its higher-income customer base by trading up and expanding the merchandise assortment.

For instance, the chain is experimenting with a separate designer shop, primarily for misses and junior sportswear. The shop carries closeouts and overruns from such manufacturers as Evan Picone and Calvin Klein. It's also going after the young junior and the maternity business more aggressively.

Two years ago Marshalls decided to try a better jewelry department. This area, stocking 14 karat gold jewelry from about $10 to $900, has been so successful the department will be in over 50 stores by the end of 1982.

A spokesman explained the 14k jewelry, with no recognizable brand name, is still recognizable as an "off-price" value. The chain offers jewelry at savings from 20%-60%, the same as in apparel.

Marshalls does its jewelry buying "opportunistically," just as it buys apparel and domestics; it plunges into jewelry when the price of gold is low. Unlike the department store and cataloger competition, Marshalls doesn't make any long-range jewelry commitments.

Last year the chain began construction of a 788,000-sq.-ft. distribution center in Atlanta. Having only about 20 stores in the South, Atlanta was chosen for two reasons: Future stores are slated for the region, and equally important, Marshalls wanted a southern distribution center even if it had no southern stores. It's after a facility located near its heaviest concentration of apparel and domestics manufacturers.

Marshalls is projecting $798 million in sales in 1982, a 29% increase over last year. That will be enough to make it the largest Melville Corp. division, passing the current leader, Meldisco. *(DSN photo)*

THE 76 LINE MOVES!

and we've doubled your co-op allowance, so now you get from $1.00 to $3.00 a case!

We've made it twice as smart to stock up on Union's fine line of motor oils...because now you get twice as much co-op allowance!

Union 76 motor oils have long been known as great little profit-makers. And right now they're even better! So be sure to stock up on the entire line before this offer ends, June 30, 1982.

And you'll ring up even more profits!

ATF Special Offer Continues.

You can still take advantage of a special offer on ATF products in plastic quarts through June 30, 1982. Buy 12 cases, get one free with any carload purchase of Union motor oils.

For details, contact the Aftermarket Specialist nearest you.

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D.A. Campbell, Los Angeles, CA, (213) 860-6531
Jack Steinberg, San Francisco, CA, (415) 235-7600
D.L. Parnell, Portland, OR, (503) 223-1517
W.M. Tastula, Seattle, WA, (206) 223-7600

union 76

T. J. Maxx Will Go Nationwide Within 5 Years

FRAMINGHAM, Mass.—The five-year plan for T. J. Maxx calls for the chain to go nationwide.

Bernard Cammerata, president, said he couldn't put an exact date on when this will happen, but T. J. Maxx will stretch from coast to coast sometime within the next five years.

Launched by the Zayre Corp. just five years ago, T. J. Maxx, the off-price, brand-name, family apparel operation, has been growing fast. It ended 1981 with 64 units, giving the chain an average addition of 10-15 stores a year. With each unit averaging 25,000 sq. ft., the operation ended the year with a total of 1.6 million sq. ft.

To reach its five-year goal, the earlier pace has been accelerated. Last year 21 units opened; another 20 are slated for 1982.

The current plan calls for opening 20-24 new stores a year in each of the next five years. If T. J. Maxx sticks to the schedule, the chain will be operating 175 stores by 1987, with a total of 4.4 million sq. ft.

Still Developing

T. J. Maxx is now in 19 states with the major concentration of stores in the Northeast, South and Midwest. New market entries on the 1982 calendar are Birmingham, Atlanta, Philadelphia and Kansas City, Kan.

The Kansas City opening in May will put the chain on its most western frontier.

Stepped-up growth has already succeeded in the chain outgrowing its 450,000-sq.-ft. distribution center in Framingham, Mass. To accommodate future growth, an additional 300,000-sq.-ft. facility is under construction in Worcester, Mass., and will be operating in July 1982.

This Worcester facility is designed to do more than help handle the new units planned. It is moving into more highly automated systems which will ultimately enable T. J. Maxx to operate from multiple distribution centers.

CONSUMER ELECTRONICS

Specialty Chain Census

Radio Shack Leads Pack

Chain	No. of Units May '81	May '82	Dec. '82	Sales in Millions Last Fiscal Year
Radio Shack	6,150	6,363	6,503	$1,387.0
Circuit City/ Lafayette	45	49	51	131.9*
Team	109	99	109	62.0
Kelley & Cohen	44	38	40	57.0**
CMC	58	55	N/A	47.5**
Sam Goody	32	32	33	N/A
Newmark & Lewis	18	19	N/A	50.0
Pacific Stereo	89	89	N/A	N/A
Atlantis Sound	10	9	10	N/A

*Sales include 51 leased departments in Zodys' stores.
**DSN estimate. N.A.—Not available.

Radio Shack Plans to Unwrap 10 Computer Centers a Month

FORT WORTH—Radio Shack has keyed in on the booming home computer market and will open 10 of its specialty Computer Centers a month for the remainder of the year.

At presstime there were 270 Computer Centers in the United States plus 450 Radio Shack stores with expanded computer departments to sell and service the company's TRS-80 microcomputer line. Computer Centers, typically 3,000 to 3,500 sq. ft., are geared to meet needs of businesses and educational institutions. The centers feature equipment, accessory and furniture showrooms plus classroom and service/maintenance departments.

Computer Centers are located in 150 major United States markets and offer the complete line of TRS-80 computers.

Sales for Radio Shack's 6,363 United States stores, computer centers and franchised units rose 23% during the fiscal year ended June 30, 1981. Home computer sales accounted for 21.8% of total 1981 sales—up from 12.7% the year before. Computer sales estimates for the year ending June 30, 1982, are hitting between 25% and 30% of total volume, according to John Roach, president of the Radio Shack division of Tandy Corporation.

Roach expects overall sales growth to continue at a level of above 20% annually. So far this year sales are up about 22% over a year ago.

Although Roach said computers were "certainly the fastest growing category for the year," he reported strong growth in telephones and electronic toys. Radio Shack stores will broaden their assortments of telephone equipment this year, he said.

Video tapes will be added to the completely private label mix in Radio Shack stores through Tandy's recent acquisition of the Memorex consumer electronics division. Although the stores won't carry video cassette recorders, an array of video accessory equipment along with video games will be added later this year. Roach wouldn't detail at presstime Radio Shack's new lines.

Radio Shack will grow at the rate of 10 new stores per month, said Roach.

Team to Expand '82 Store Base by 10

MINNEAPOLIS—Team Electronics will expand its store base by 10 this year, pushing into the Texas market with three units.

Sales of $62 million for the fiscal year just ended reflect a 15% increase over the previous year. For the current fiscal year sales are showing a 20% gain, reported Gary Thorn, executive vice president.

As part of a move to an all-franchised operation, Team cut its store base from 109 to 99 as 10 company-owned-units were closed. By the end of the year store count should be back up to 109.

Openings slated for Austin this month and Houston in the fall follow the launching of Team's first Texas unit in Colleen, last November.

The other openings will be in markets where the chain's name is already established.

Home computers account for 45% of sales. Team stores carry the entire Apple line—the most expensive system could run a customer $10,000. A VIC-20 system by Commodore, also included in the mix, retails for around $300. Team stores' computer departments have about 1,000 sku's.

Video cassette recorders and accessories generate about 15% of Team's volume. Stores offer a limited line which features Panasonic's lazer disc system.

Wards Sets 2 Super Stores

RICHMOND—Wards, operator of Circuit City and Lafayette stores, will funnel expansion efforts into its Super Store operation with two openings set for this year.

Wards purchased the eight-store Lafayette chain late last year—earning a $35 million tax-loss carry-forward from the deal. The company currently operates five Circuit City Super Stores, 44 regular Circuit City stores—eight under the Lafayette name—and 51 leased departments in Zodys stores.

Two 35,000-sq.-ft. Super Stores—one in Winston-Salem, N.C., and one in Norfolk, Va.—will be opened this fall.

No openings are expected in '83, when the company will look to its leased departments for growth.

Telephones and phone equipment, security systems and citizen's band radio are seen as growth areas for the future.

ShopKo's Parent Declares Dividend

MINNEAPOLIS—Super Valu Stores, parent of ShopKo, declared a quarterly dividend of 12¢ per common stock share, payable June 15 to shareholders of record June 1.

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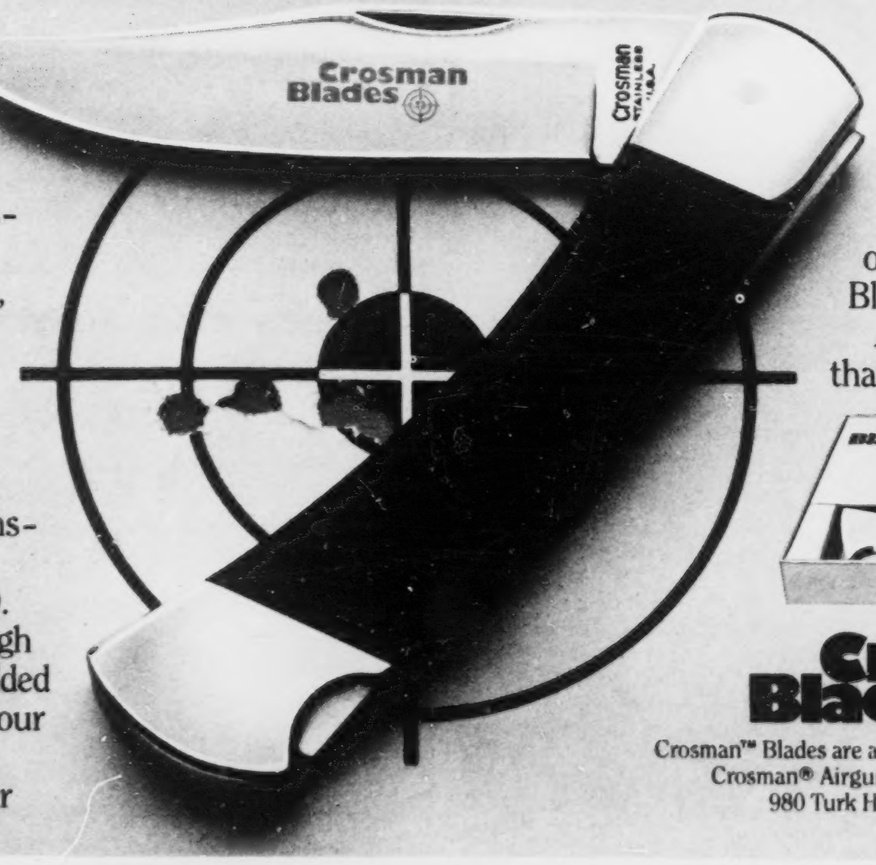

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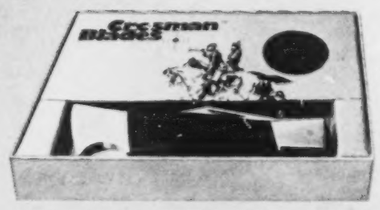

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Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

VOL. 21, NO. 14 | Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman Inc. | $2 a copy | JUNE 28, 1982

With store managers in tow, a fast-talking Sam Walton gives visiting stock analysts and bankers a whirlwind tour of two Wal-Marts during the chain's two-day annual meeting.

'Give Me a W! Give Me an A!'

By IRIS S. ROSENBERG

BENTONVILLE, Ark.—A teenage girl stands up and tells the audience how she and her friends worked to buy two shares of stock.

An investment banker from Paris (France, not Texas) gets the "award" for having come the furthest for the annual meeting—beating out a woman from San Francisco.

Seven store employees run to the stage to lead hundreds of their co-workers, some of them bused in from surrounding states, in the company's favorite cheer: "Give me a W, an A, an L, a 'squiggly'. . . ." The company's chairman of the board joins them.

The room, the main exhibit hall at the local fairgrounds, is filled to bursting with store associates, visitors and shareholders, and lined with displays of the best-selling merchandise—present and hopefully, future—of each department.

If it's always Wal-Mart time in Bentonville, the $2 billion dollar company's annual shareholders meeting is high noon.

But then, it's not just an annual meeting.

(Continued on page 30)

Disposition of FedMarts Is Iffy; Target Gets One

By ARTHUR MARKOWITZ and SUSAN WARNER

SAN DIEGO—The discount industry in southern California, Arizona and New Mexico is in upheaval.

The shutting of 48 FedMarts by the end of July, following last year's closing of The Treasury, will leave at least 53 discount stores vacant in that tristate region stretching from New Mexico west to the Pacific Ocean.

Reports that Target is eying southern California have added to the market agitation.

Discounters in the region—particularly Gemco and Zodys in southern California, where FedMart had 35 stores—are currently mapping out plans to capture FedMart customers and to meet any invasion contemplated by Target.

Wait and See

Executives at Target and its parent Dayton Hudson have been equivocal about any takeover of FedMart stores, either in southern California or in Texas where the California discounter has already closed all of its 15 units.

Target executives would only own up to taking over one of two FedMarts in San Antonio, Tex., as part of a planned move into that market next spring with six stores. FedMart has shut its store in Las Cruces, N.M., which is about 40 miles from El Paso, and that unit is reportedly going to Target.

Target president Floyd Hall said at the NMRI convention last month that "we're looking at the FedMart stores and we're very interested in them. But it's really not up to us. There are a lot of other people looking at the stores too. We're waiting for FedMart to make a decision as to what they want to do."

At Dayton Hudson's annual meeting last month, president Kenneth Macke (who had been head of Target) said: "It's fair to say that if Target continues to perform the way it has, it will be in California. There is no way

(Continued on page 30)

Shewmaker, Fisher to Be Honored at SPARC Dinner

NEW YORK—Jack Shewmaker, president and ceo of Wal-Mart, has been named Discounter of the Year, and Herbert Fisher, chairman of Jamesway, has been elected to the Discounting Hall of Fame, it has been announced by *DSN*'s SPARC committee.

Both men will be honored at a special SPARC awards dinner, Aug. 15, at the Hyatt Regency Hotel in Chicago.

The *DSN* Supplier Performance Awards by Retail Category (SPARC) committee has also nominated the three best suppliers in each product category (see list on p. 29).

The committee is made up of general merchandise managers at leading discount chains, with the chairman being Peter Hayes, vice president, merchandising, Hills Department Stores.

Winners and first and second runners-up will be announced during the awards dinner.

The keynote speakers at the dinner will be Wal-Mart's Shewmaker and Jamesway's Fisher.

Jack Shewmaker

Herbert Fisher

CE Buyers: Decisions, Decisions

By BETTY J. TAYLOR

CHICAGO—Discounters who were game for expanding their video game and computer programs—or looking to take the plunge into computers—found what they were looking for and more at the Summer Consumer Electronics Show here.

In fact, most chain buyers among the 60,000-plus in attendance said they found "too much" to choose from, particularly in the video-game software category where new manufacturers have tripled since last year.

Cook United dmm George Lehman termed the abundance of software in the market "an sku nightmare."

But the wealth of video systems—in a show where video clearly outplayed audio—seemed to promote optimism.

In this continuing downtrodden economic climate, buyers say their consumer electronics departments—specifically video games—have been one of the few shining stars for most chains, even though margins remain tough.

Most envision computers as the star of the future, as evidenced by the number of chains entering the market or expanding their tests.

Jamesway was at the show to determine whose computer program it will institute in the near future. Gold Circle, which just put in the Atari 400 program, was looking for a secondary offering. Wal-Mart was deciding whose programs would give depth to its program, one of the first in discounting which used Atari 400s. Most often, Commodore and Texas Instruments were mentioned for fleshing out programs as secondary offerings.

But it wasn't just the wealth of new entries in video—from games and computers to video cassette records—which provided for a spirited show. Price reductions also provided some encouragement.

In video, the most noted price reduction—and the most surprising, perhaps—was Atari's slashing of its 400 personal computer. The manufacturer took a 13% to 14% decrease, suggesting retail be trimmed from $399 to $349. Atari also cut prices on six of the entertainment programs for the unit.

But, leading the way in dropping computer prices was Timex, which showed off its Sinclair 1000 to retail at under $100. Most buyers noted they were considering the unit as an opening price point in computers, but certainly not their only offering.

(Continued on page 29)

The Boom in Video Systems
(Unit Sales to Dealers; Add 000)

Product	1979	1980	1981	1982
Video Games Hardware	400	2,200	4,200	8,000
Video Games Cartridges	4,000	9,000	30,000	55,000
Electric Hand-Held Games	27,000	38,000	34,000	30,000
Personal Computers	150	325	500	2,000

Source: Electronic Industries Association Marketing Services, based on various industry sources' estimates.

Digest
June 28, 1982

H&BA

- **A just-approved sleep aid ingredient** and its national rollout are expected to wake up sales in the category. (p. 6)

HARDWARE

- **DIYers are still fixing up the** home, but discounters are finding best electrical-item profits in tightened mixes. (p. 12)

HOUSEWARES

- **Glassware sales are still** sparkling as buyers report double-digit department gains in the first quarter, and eye a surge in glass dinnerware. (p. 20)

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HEALTH & BEAUTY AIDS

F.D.A. Ruling to Hypo Sleep Aids

Awakened by the Food and Drug Administration's approval of a new sleep-inducing drug for over-the-counter sales, discounters have started ordering reformulated sleep aids.

Like many chains, Roses and Clover were first steered away from the category by the F.D.A.'s 1979 recall of methaprilene, then the active ingredient in sleep aids.

Although the products were then reformulated with approved drugs, the cloud of uncertainty about their safety and efficacy continued to shadow the category. But, following this year's approval of a safer, stronger drug (diphenhydramine hydrochloride) for use as an OTC sleep aid, chains are adopting a brighter view of the category.

New Moves

Roses will put the category in its stores by late summer, reported H&BA buyer Gary Church. He added that as part of a new concept the chain will launch home remedy sections with a broader assortment of remedies including antacids, analgesics, diet aids and sleep aids.

Church explained his chain had once stocked sleeping aids but dropped them after F.D.A. recalled the active ingredient three years ago.

Clover, on the other hand, is taking a more conservative position. The Philadelphia chain will only order a sleep aid on a customer's request.

Ron Kaufman, director of pharmacy for the chain, said the drug's only benefit is to help a person develop the habit of falling asleep, which is why the products should be used for no more than seven consecutive days.

When customers ask at the pharmacy counter for a treatment for insomnia, they are advised to see a doctor, Kaufman continued.

Fedco and Cook United have remained committed to the category

Each chain will have the new formula Nytol on the shelves in August and have ordered Sominex II. Both products contain the drug approved in April of this year.

Nytol is phasing out its earlier formula in favor of the new stronger version but Sominex will be available in two formulas. Both Fedco and Cook United, however, plan to stock only the latest formula of Sominex.

A spokesman for Cook United explained that a person looking for a sleep-inducing medication will generally buy the stronger formula. The chain's assortment includes two sizes each of Nytol, Sominex and Unisom.

The chain's best-selling sleep aid is Unisom—which debuted after the 1979 recall and never contained the controversial drug methaprilene.

Increased Advertising

The chain advertises the category five or six times a year, although this year it expects to profit from heightened advertising by J. B. Williams, maker of Sominex.

Fedco buyer Mike Bottaman plans to phase out the older Sominex formula and stock only Sominex II, which costs consumers the same as the original formula.

Bottaman feels one strength of the brand should be sufficient to meet consumer demand. "It would be senseless to have two formulas of the same brand," he explained, adding that carrying two strengths would also mean an additional sku.

(Continued on page 8)

K mart is one chain expected to cash in on safer, stronger sleep-aid formulas. The Lodi, N.J., store stocks Nytol and Sleep-Eze plus the two sizes of Unisom and Sominex shown here. *(DSN photo)*

Single-Treatment Conditioner Packs Top Pro Hair Care

Single treatment conditioning packs dominate the professional hair care category according to a Product Movement Audit supplied by Boston Distributors for the period Feb. 1 to April 23, 1982.

Of the top 15 hair care products developed for and sold to professionals—but distributed to discounters by Boston—seven are small packs with enough conditioner for one or two treatments.

Although tradition-minded discounters shy away from professional lines because the items are not advertised nationally, eight of the 15 items listed bear the names of well-known mass hair care lines.

Clairol's Luminize holds the top two spots and the company's Intense Protein Pack is ranked fourth. Revlon has two conditioning packs on the chart (Nos. 9 and 11). L'Oreal's Mermade conditioner has two of the 15 slots (10 and 13), and Pantene's shampoo concentrate is ranked No. 14.

Margins of 40% plus on professional lines attract more daring discounters to the category. Boston's vp of merchandising explained success with the category requires promotional support from the chain as well as merchandising tied strongly to the mass hair care department.

The growing strength of professional lines is revealed in the results of the hair spray PMA. All Set, ranked Nos. 2, 7 and 11, is a professional line tracked with the mass lines by Boston because of its dominance in the category.

The hair spray market received a shot in the arm from the success of Gillette's Mink Difference (not on the chart). Gillette's entry and Rave (No. 10) are expected to continue to gain. Boston's vp said Mink Difference should be one of the top 15 later this year. He added that Jhirmack and Sassoon will take shots at tapping the potential of the spray market with entries slated for this year.

Shampoos and conditioners—the meat and potatoes not only of the hair care category but of the entire H&BA category—endure a steady stream of new entries. Shampoos are the top H&BA items based on dollar volume. That translates into millions for even a couple of share points. Seven of the 15 shampoos listed and five of the top conditioners have been on the market for less than five years.

Flex remains a dominant force with the top items in both categories.

Jhirmack, Head & Shoulders conditioning formula and Silkience are rapidly gaining in the shampoo category. Selsun Blue pushed its way onto the chart for the first time.

Gillette's shampoo entry slated for late this summer called FOHO (for oily hair only) is expected to do well. Gillette's unique approach will zoom in on the oily formula sector—19% says Gillette—of the total market.

Future sales gainers in the conditioner category will be Enhance (No. 7), Sassoon (No. 12) and Finesse (not on the chart). Boston's vp reports tremendous sales of Finesse, Helene Curtis' version of Silkience (No. 11).

Wella Balsam Conditioner is still strong with a No. 10 ranking, although its counterpart on the shampoo market has dropped from the chart.

SHAMPOO

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Flex Shampoo Normal 16 oz	33,180	1.92	63,706
2	Flex Shampoo Extra Body 16 oz	25,314	1.92	48,603
3	Flex Shampoo Oily 16 oz	19,392	1.92	37,233
4	Head & Shoulders Lotion 15 oz	8,664	3.62	31,364
5	Jhirmack Shampoo Oily 8 oz	13,968	2.19	30,590
6	Vidal Sassoon Shampoo 8 oz G30	12,816	2.35	30,118
7	Flex Shampoo Dry & Damaged 16 oz	15,072	1.92	28,938
8	Faberge Organic Shampoo 15 oz	19,944	1.27	25,329
9	Head & Shoulders Condition Lotion 15 oz	6,918	3.62	25,043
10	Selsun Blue Lotion 7 oz	6,852	3.58	24,530
11	Silkience Shampoo Extra Body 15 oz	7,434	2.92	21,707
12	Vidal Sassoon Shampoo 12 oz G32	6,696	3.21	21,494
13	Head & Shoulders Lotion 7 oz	10,956	1.93	21,145
14	Prell Shampoo 11 oz	8,520	2.34	19,937
15	Jhirmack Shampoo EFA 8 oz	8,190	2.19	17,936

CREME RINSES AND CONDITIONERS

1	Flex Balsam With Body 16 oz	32,028	1.92	61,494
2	Flex Balsam Regular 16 oz	25,008	1.92	48,015
3	Vidal Sassoon Finishing Rinse 8 oz G60	9,240	2.35	21,714
4	Flex Balsam Oily 16 oz	10,830	1.92	20,794
5	Flex Balsam Dry & Damaged 16 oz	10,620	1.92	20,390
6	Silkience Condition Extra Body 15 oz	6,402	2.92	18,694
7	Enhance Instant Condition Regular 16 oz	5,988	2.81	16,826
8	VO5 Hot Oil Treatment 4-Pack	4,014	3.60	14,450
9	Enhance Instant Condition Dry 16 oz	5,016	2.81	14,095
10	Wella Balsam With Body 16 oz	7,092	1.84	13,049
11	VO5 Tubes Regular 1.5 oz	5,544	2.15	11,920
12	Vidal Sassoon Finishing Rinse 12 oz G62	3,396	3.21	10,901
13	Silkience Conditioner Regular 15 oz	3,558	2.92	10,389
14	Agree Conditioner Extra Body 16 oz	3,552	2.87	10,194
15	VO5 Hot Oil Treatment 2-Pack	4,176	2.37	9,897

HAIR SPRAY

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Aqua Net Hair Spray Super 9 oz	41,016	1.20	49,219
2	All Set Hair Spray Gold Extra 19 oz	25,500	1.75	44,625
3	Aqua Net Regular 9 oz	30,084	1.20	36,101
4	Aqua Net Hair Spray Unscented 9 oz	26,976	1.20	32,371
5	Miss Breck Hair Spray Super 9 oz	17,316	1.73	29,957
6	Adorn Hair Spray Hard To Hold 9 oz	9,624	2.83	27,236
7	All Set Hair Spray Blue Firm 19 oz	14,436	1.75	25,263
8	Miss Breck Hair Spray Super Unscented 9 oz	12,900	1.73	22,317
9	Miss Breck Hair Spray Regular 9 oz	10,164	1.73	17,584
10	Rave Hair Spray Extra Hold 7 oz	9,540	1.73	16,504
11	All Set Hair Spray Unscented 19 oz	9,216	1.75	16,128
12	Adorn Hair Spray Unscented 9 oz	5,640	2.83	15,961
13	Clairmist Hair Spray Unscented 8 oz	9,948	1.57	15,618
14	Adorn Hair Spray Regular 9 oz	5,016	2.83	14,195

PROFESSIONAL HAIR CARE

1	Clairol Luminize Kit 4 oz	3,000	4.05	12,150
2	Clairol Luminize Packette	9,012	1.06	9,553
3	Tia Zolin Placenta Condition 2-pack	2,832	2.27	6,429
4	Clairol Intense Protein Pack 3¼ oz	3,474	1.57	5,454
5	Tia Zolin Placenta Condition Pack 2 oz	2,928	1.70	4,978
6	Jheri Redding Shampoo 16 oz	1,660	2.92	4,847
7	KMS Nefa Shampoo 8 oz	1,061	4.18	4,435
8	Jheri Redding Instant Condition 16 oz	1,518	2.90	4,402
9	Realistic Moisture Pack 1 oz	2,844	1.38	3,925
10	L'Oreal Mermade Instant Condition 16 oz	939	3.59	3,371
11	Revlon Thermal Tex Pad 1 oz	2,520	1.31	3,301
12	Jojoba Bean Hair Treatment 2.6 oz	1,172	2.77	3,246
13	L'Oreal Mermade Condition 4 oz	992	3.11	3,085
14	Pantene Shampoo Concentrate 16 oz	741	4.08	3,023

Source: Boston Distributors, Maple Heights, Ohio. For Feb. 1, 1982, to April 23, 1982.

SPARC Nominees Listed

The following suppliers have been nominated for SPARC awards (see story, p. 1):

SPARC Award Nominees

Children's Apparel
Elkay/Skyline; Garan; Avondale

Domestics
Cannon; J. P. Stevens; Louis Hand

Consumables
E. J. Brach; Hershey; Pepsi-Cola

Housewares (Nonelectric)
Corning; Rubbermaid; Anchor Hocking

Personal Care
General Electric; Conair; Clairol

Sporting Goods
Franklin; Coleman; Academy B'way

Ladies' Apparel
Playtex; Lloyds Sports; Bassett Walker

Automotive
Lee Filter; Union Carbide; Kraco

Health & Beauty Aids
Gillette (Personal Care); P & G; Maybelline

Jewelry
R. N. Koch; K & M; Catamore

Photography
Kodak; Polaroid; Canon

Stationery
Mead; 3M; Papermate (Gillette)

Men's Apparel
Blue Bell (Wrangler); Williamson-Dickie; Union Underwear

Consumer Electronics
General Electric; Panasonic; Soundesign

Hardware
Hirsh Company; G. E. Lamp; Formby's and Stanley (tie)

Lawn & Garden
Colorite; Melnor; Kingsford

Small Electrics
General Electric; Mr. Coffee; Proctor-Silex

Toys
Mattel; Fisher-Price; Tomy

May Sales

(Continued from page 3)

come was up 5.1%, to $486,000 in its first quarter. Sales increased 3.5%, to $40.4 million.

Although many chains managed to prosper despite the poor economic conditions, many did not.

S. E. Nichols posted a net loss for the first quarter of this year, although it was smaller than the quarterly loss of a year ago.

Despite a 10.5% sales increase, Heck's quarterly income declined 95.9% from last year.

Fred Haddad, Heck's chairman, blamed the recession and bad weather for his company's poor showing.

Zodys was also hurt by the economy. First-quarter sales for HRT Industries, of which Zodys did 75%, were up 24% over last year's first quarter, to $95.6 million. But the company suffered a net loss of $720,000 for the period.

Demand For Disc Camera Exceeds Supply

(Continued from page 3)

Most discounters, analysts and even Kodak management agree that the sales momentum will quickly shift to the 4000 series, which many, like Pay Less, are pricing at $53 everyday and $48 on ad.

Kodak's director of sales Dennis McGrew predicted the 4000 will be particularly strong in the fourth-quarter gift-giving season.

By that time, Kodak could be facing competition.

Several other pocket camera manufacturers have said they would enter the disc market, with Continental leading the pack. That company predicts it will go into production and start shipping its own, less-expensive disc cameras this month.

A Continental spokesman said the company has written $5 million in initial orders with a dozen accounts.

Continental unveiled its prototype at the recent Las Vegas photo show, and had originally projected that its units would be on the market to coincide with Kodak's debut.

Continental expects to start production of a Disc-O-Matic 401, with suggested list price of $59, and a Disco-O-Flash 201, with a list of $44.50. Both would use Kodacolor HR 15-exposure disc film.

Market observers and discounters, despite Continental's optimism, don't believe they will see the entries until late 1982 or early 1983.

"We'll believe it when we see it," said Prange-Way's Dankwardt.

Security analyst Brenda Landry of Morgan Stanley is in agreement.

"Continental may be in by late fall, but I don't expect to see any real competition until the Japanese come in, which will probably not be until 1983."

Even if Continental's discs hit the market by September or October, many buyers like ALCO's Milner said it would be too late in the year to commit to the secondary offering. Milner does, however, expect to pick up a disc knockoff in 1983.

CE Buyers: Decisions, Decisions

(Continued from page 1)

Commodore debuted its Max system, with a suggested retail of $179. In VCRs, manufacturers like Sanyo dropped prices by 16%.

In audio, price slashes were more evident in a market whose sales have been estimated at 10% to 20% below those of a year ago.

Sony trimmed prices of its original personal portable stereos (while introducing the next generation of Walkman products) and offered more features for the same price on other audio cassette products of a year ago.

In calculators, buyers like Gold Circle's Jim Harrison found "almost a blood bath" in price reductions by manufacturers competing in the saturated marketplace.

Cuts were even evident, though minor, in the burgeoning new area of cordless telephones. Several chains, including Gold Circle, will be expanding the telephone category with a cordless unit under $120, they said.

But optimism over price reductions was tainted with reality.

In calculators, Harrison observed, "Anytime you see these kinds of reductions, you know somebody's sitting on some inventory."

A spokesman for Emerson, which made price drops in selected lines of its audio, admitted softened sales led to the drops.

"We know the buyers we're seeing don't have unlimited open-to-buy," the spokesman said. "We're seeing them buy based on need.

Emerson committed to a new video game line this year to diversify.

And, manufacturers like Emerson were adding to the dilemma buyers faced in investing open-to-buy dollars.

"You can't carry all the game cartridges, but we've had to look at them all and decide which companies offer the best ones," said Cook United's Lehman.

Strength In Numbers

Canon is the brand your customers ask for. Millions of people are pre-sold on Canon products through our continuous advertising exposure on television and in print from coast-to-coast. Canon represents the state-of-the-art in 35mm photography, with design innovations that make SLR photography so advanced, it's simple.

Part of the strength of the Canon brand is the ability to match a quality Canon camera to almost every type of customer, from the snap-shooter moving up to the experienced amateur who wants all the latest features.

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Discounters at Housewares Show NHMA

Eye Fatter Sales Slice: Pp. 17-53

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Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

VOL. 21, NO. 14 | Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman Inc. | $2 a copy | JULY 12, 1982

Discounters Predict Tax Cut Will Aid Upturn in 2nd Half

Nationwide DSN Report

The second round of Reagan tax cuts, to go into effect this month, continues to boost discounters' hopes for finishing with a second half stronger than the first half.

But even with the predicted upturn in the economy—and recent signs of an improved Gross National Product (GNP) and a stabilizing unemployment rate—no one is going out on a limb and predicting he can surpass original projections.

Nor is there optimism that there will be a return to a Christmas selling season that used to begin after Thanksgiving.

Many chains originally predicted 12%-18% increases in sales for the year. Most, including Wal-Mart, planned for a poor first half and a stronger second half.

Wal-Mart is sticking to its projection of ending the year with $3.4 billion in sales, up 42% from the last fiscal year, on a store base expanded from 330 to 502 at presstime.

Increased Sales

Showing advances of 53.4% in sales in the first quarter and 56% in May compared to a year earlier, Wal-Mart wasn't displeased with its performance for the first four months of the fiscal year, but noted sales of warm weather goods were off.

"Our plans for the second half are still strong," said David Glass, executive vp of finance for Wal-Mart. "We expect the July tax cuts to have more effect than the tax cuts last fall."

Wal-Mart is particularly optimistic because there are signs of stabilization of unemployment in its trading areas, Glass noted.

Unemployment is still a growing problem in Murphy's Mart's home area of Pittsburgh, but that discounter is also banking on relief from the new tax cuts.

"We think things should pick up in the third and fourth quarters," said parent G. C. Murphy's president C. H. Lytle.

"Figures we see indicate inflation is slowing faster than incomes are increasing, so real income should be higher. Couple that with tax cuts, which I understand will free up about $36 billion, and the picture looks brighter."

Murphy's Mart's sales in May were up 16.5% compared to a

(Continued on page 66)

With the influence of its American discounting consultant K mart showing, Daiei, a Japanese retail/service conglomerate, opened its first D mart discount store this spring on a major artery two hours north of Tokyo.

1st D mart Bows in Japan; Reflects K mart's Savvy

This is the first in a series of articles on discounting abroad that DSN will run from time to time.

TOKYO—They finally decided on D mart.

"We wanted to call it K mart," said Joji Ishijima, general manager of Daiei's liaison office in New York, noting that his company has gained a great deal of knowhow from the United States retailer. "But, that name was already taken in Japan, even though it's not all that familiar to Japanese consumers."

This spring, about 18 months after signing an agreement with K mart to obtain knowledge and assistance, Osaka-based Daiei, Japan's largest retail group, opened an experimental D mart on a national highway about two hours north of Tokyo.

(Officials at K mart refused to reveal the full scope of the agreement. They would only acknowledge that a number of Daiei personnel have been

(Continued on page 61)

High-ticket, Multiple-Sale Biz

Chains Choreograph Dancewear Entry

By MARILYN NEERMAN

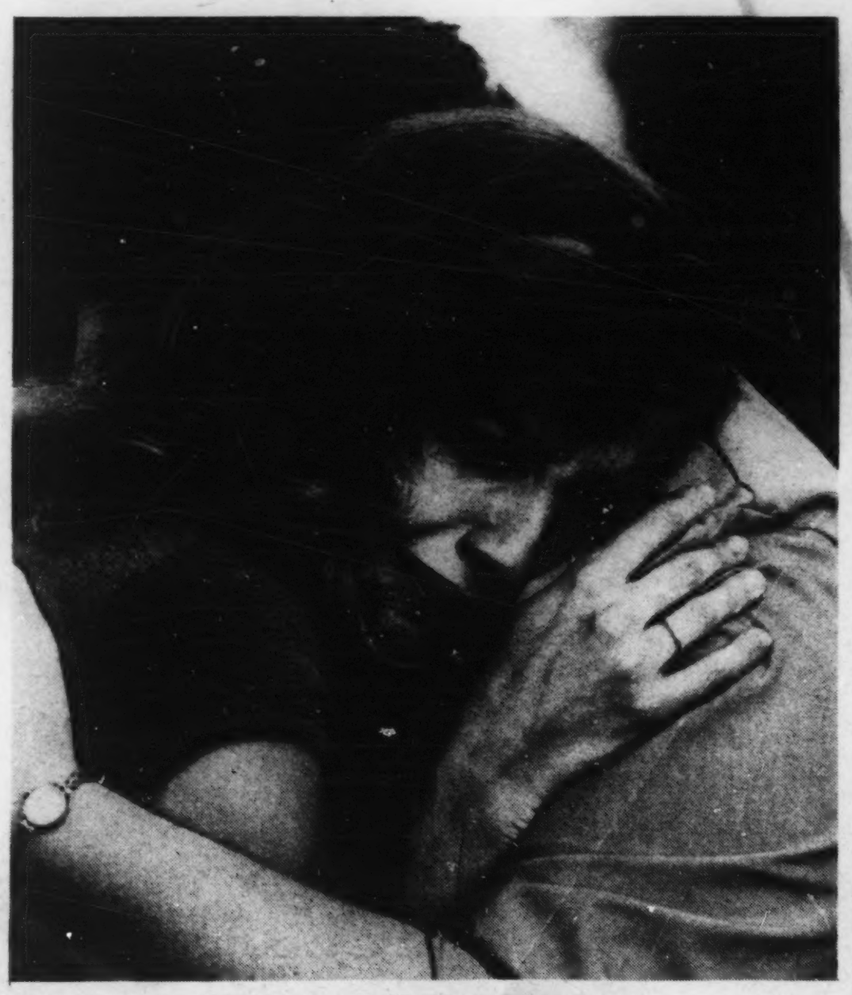
After a year of watching the dancewear category build among the department stores, discounters are now choreographing their entry into the category for fall.

With the wardrobe-building aspect part and parcel of dancewear—leotards, plus coordinating tights, legwarmers, headbands, skirts, shorts, coverups, et al—discounters are obviously anxious to get a chunk of this high-ticket, multiple-sale business.

Richard Jolosky, senior vice president of Miami-based Jefferson/Ward, said the chain is planning a bigger dancewear push for fall. Part of hosiery, dancewear will be a feature area in the department, taking 10%-15% of hosiery's square footage. Overhead graphics will designate the area, giving it a shop look.

"We plan to promote this area a good deal for back-to-school. Right now, we have our first deliveries planned in black ground stripes, but we're looking at a lot more fashion goods for later delivery. Our plan is to stock and cross-merchandise some fleece-backed sweats with

(Continued on page 66)



Cry Havoc

Fearing the worst, Meijer's Thrifty Acres employee Sheila Ostrow cries on the shoulder of co-worker Marie Hunt, as three bandits held nine employees, including Ostrow's sister, hostage during a hold-up attempt in Roselawn, Ohio. Fire also hit Meijer, as well as K mart, which lost a court case in addition, last month. Stories, p. 3. *(Photo by Bruce Crippen)*

A Clock Whose Time Has Come

Discounters are racking up huge unit sales on tiny digital clocks that consumers buy to "stick anywhere."

Colorful plastic encased clocks the size of a half-dollar are proving a huge success at Jamesway, Caldor, Heck's and Danners, to name a few.

(For other housewares stories, see special Housewares Show section, starting p. 17.)

Already this year Caldor is reported to have moved 10,000 pieces in three days and a cataloger, Consumers Distributing, reported selling 4,500 clocks in five days.

The import tax on the clocks was cut by over 85% this

(Continued on page 61)

Digest July 12, 1982

HARDWARE

- **Chain buyers debate going to higher-ticketed PVC-weave lawn** and patio sets to replace low-end, wooden picnic ensembles. (p. 11)
- **Planogramming comes to Magic Mart's hardware department** as the Arkansas-based chain continues its storewide merchandising reorganization. (p. 11)

H&BA

- **Discounters say two hair care categories—hair spray and hair** accessories—will make the list of back-to-school sales gainers. (p. 15)

HOUSEWARES

- **With prices up and service down at their department store** competitors, discounters say the time is ripe to increase their market share in housewares. They'll be shopping the summer Housewares Show accordingly. An in-depth look at the category begins on page 17.

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Editorial	5	Electric Housewares	37
Executive Changes	7	Washington Beat	5

HARDWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	ELECTRICAL WIRING			
1	Carol Cable 16/2 100-ft RD orange U/L	1,467	16.99	15,688,728.00
2	Electripak MOC6C 6-outlet power cen	1,205	19.99	13,068,225.00
3	MANCO ¾ x 60-ft PVC U/L electric	61,577	0.59	36,330.43
4	Cable Elec 58510 Clamp-on light W/S	4,796	6.99	35,524.04
5	Intermatic D111 Time-All timer	1,954	9.99	19,520.46
6	Carol Cable 4788 3 to 2 Adapter	13,794	0.99	13,656.06
7	Leviton 6101 Night Lite ivory	5,560	2.19	12,176.40
8	Carol Elec 6-ft Polar extension cord brown	8,170	1.49	12,173.30
9	Colton E100 E-Z cord control	3,449	2.79	9,622.71
10	Cable Elec 25-ft 18/3 Work Lite MTL	891	10.99	9,792.09
11	Lutron DR60CRS Dimmer rotary ON	1,642	5.29	8,686.18
12	Carol Elec 6-ft Polar extension cord white	5,776	1.49	8,606.24
13	Lutron DR600PS dimmer push On/O	1,306	6.29	8,214.74
14	Thyrocon XL150 Lamp socket dimmer	1,028	7.99	8,213.72
15	Thyrocon XP150 electric eye lite	974	7.99	7,782.26
	SEASONAL ITEMS			
1	Thermwell P24 90-ft soft rope caulk	779	2.89	2,251.31
2	Stanley SP1318-22 white CC foam	841	2.18	1,841.79
3	Stanley SP1318-22 brown CC foam	761	2.19	1,666.59
4	Thermwell R85 ¾ x 25-ft felt tape	1,152	1.39	1,601.28
5	Thermwell P14 30-ft rope caulk	952	1.29	1,228.08
6	Thermwell AC42 In A/C foam strip	1,057	0.99	1,046.43
7	Thermwell S258/ 17-ft felt with strap	1,453	0.69	1,002.57
8	Stanley SP1301 alum/vnl door bot	510	1.79	912.90
9	Thermwell VA17 alum/vnl 3-piece door	75	7.29	546.75
10	Thermwell FV15 2 x 15-ft pipe insulation	192	2.59	497.28
11	Thermwell R534 ¾ x 10-ft rubber tap	192	2.59	497.28
12	Thermwell AC2 18 x 16-in A/C cover	110	3.59	394.90
13	Thermwell A56/36 alum/vnl dr BTM 21	48	5.79	277.92
14	Thermwell G9 9-ft garage door kit	48	5.49	263.52
15	Thermwell EW 17 17-ft wood/vnl door	62	4.19	259.78

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	PLUMBING			
1	Sterling Kitchen faucet single w	250	55.99	13,997.50
2	Sterling Economy Kitchen faucet	580	20.99	12,174.20
3	Sterling Kitchen faucet twin w	244	45.99	11,221.56
4	Melard Toilet tank repair	1,120	8.99	10,068.80
5	Sterling Kitchen faucet twin	278	33.99	9,449.22
6	Sterling Kitchen faucet single	201	43.99	8,841.99
7	Melard Super plunger	1,884	4.59	8,647.56
8	Sterling Economy bath faucet	486	15.99	7,771.14
9	Melard Shower head with flow A	608	9.99	6,073.92
10	Melard 6-in Force cup W/21	3,672	2.19	8,041.68
11	Melard 6-ft Washing machine	1,194	4.99	5,598.06
12	Melard Executive shower head	756	5.99	4,528.44
13	Melard 11/12-in J-bend kitchen	735	5.79	4,255.65
14	Sterling Bath faucet twin w	105	37.99	3,988.95
15	Melard 25-ft Canister auger	317	11.99	3,800.83
	HAND TOOLS			
1	Stanley 33116 16-ft Powerlock tap	1,820	13.99	25,461.80
2	Stanley 62407 6-piece Thrifty SDS	4,753	4.99	23,717.47
3	Stanley 33212 12-ft Powerlock tap	1,796	8.99	16,146.04
4	Stanley 15308 26-in 8-pt Crosscut	1,142	11.49	13,121.58
5	Arrow T50 Staple gun tacker	565	21.99	12,424.35
6	Stanley 70081 21-in Bow saw	1,452	8.49	12,327.48
7	Stanley 10099 Retractable knife	2,862	4.19	11,991.78
8	Stanley 51616 16-oz Claw hammer	1,608	7.29	11,722.32
9	Stanley 10039 Mitey-knife key chain	5,050	2.19	11,059.50
10	Arrow JT21 Junior staple gun	918	11.99	11,006.82
11	Stanley 11921 Heavy-duty utility blades	5,940	1.79	10,632.60
12	Fuller 1374 6-piece Comb wrench set	1,009	9.99	10,079.91
13	Sequatchie 36-in Sledge hammer handle	1,970	4.99	9,830.30
14	Stanley 15350 26-in 8-pt Crosscut	1,072	8.99	9,637.28
15	Bernz UL100 Prom torch kit/cy	660	14.49	9,563.40

Source: Hardware Distributors, Secaucus, N.J. Figures cover April 1-30, 1982.

Specials Aid Name-Brand Hand Tools

Name brand tools and seasonal sellers lent strength to the hardware business this spring, according to Marvin Deneroff, executive vice president, Hardware Distributors, Secaucus, N.J.

The firm, which services 350 stores including 141 discount stores in 20 states east of the Mississippi, supplied the accompanying Product Movement Audit. The figures cover April 1982.

Electrical wiring devices have been enjoying a strong seasonal business.

Items like PVC (polyvinyl chloride) tapes, night lights, timers and dimmers have all been performing very well, noted Deneroff. The category assortment has been expanded by 10% to 15% since last year.

"This is a building category, in part because of its adaptability as a register tip and/or endcap promotional item."

Unit sales in the hand tool category are "on a par with last year," Deneroff said, noting there was continuing evidence reflected in the audit charts that consumers were trading up.

"Hand tools are a good category right now," he said, "strengthened by their popularity as promotional items." Manufacturer's advertising and co-op allowances have really paid off, he added.

"More than ever the consumer is coming in and asking for a specific manufacturer's product," he said. "At one time we sold more products from Fuller, for example. Now you can see that 10 of the top 15 items on audit are from Stanley.

"We always sold tapes and screwdrivers for promotions, but now they are mostly from Stanley. They give us specials and we pass them along."

AHMA Expands Convention Staff

SCHAUMBURG, Ill.—The American Hardware Manufacturers Association has expanded and realigned its convention staff, according to William Farrell, executive director of the association.

Heading the list of new people with the association is Patricia A. Barbaj, who has been named manager of conventions and conferences. Previously, Barbaj was assistant vice president for meetings and committees with the Financial Managers Society for Savings Institutions.

Up the Ladder

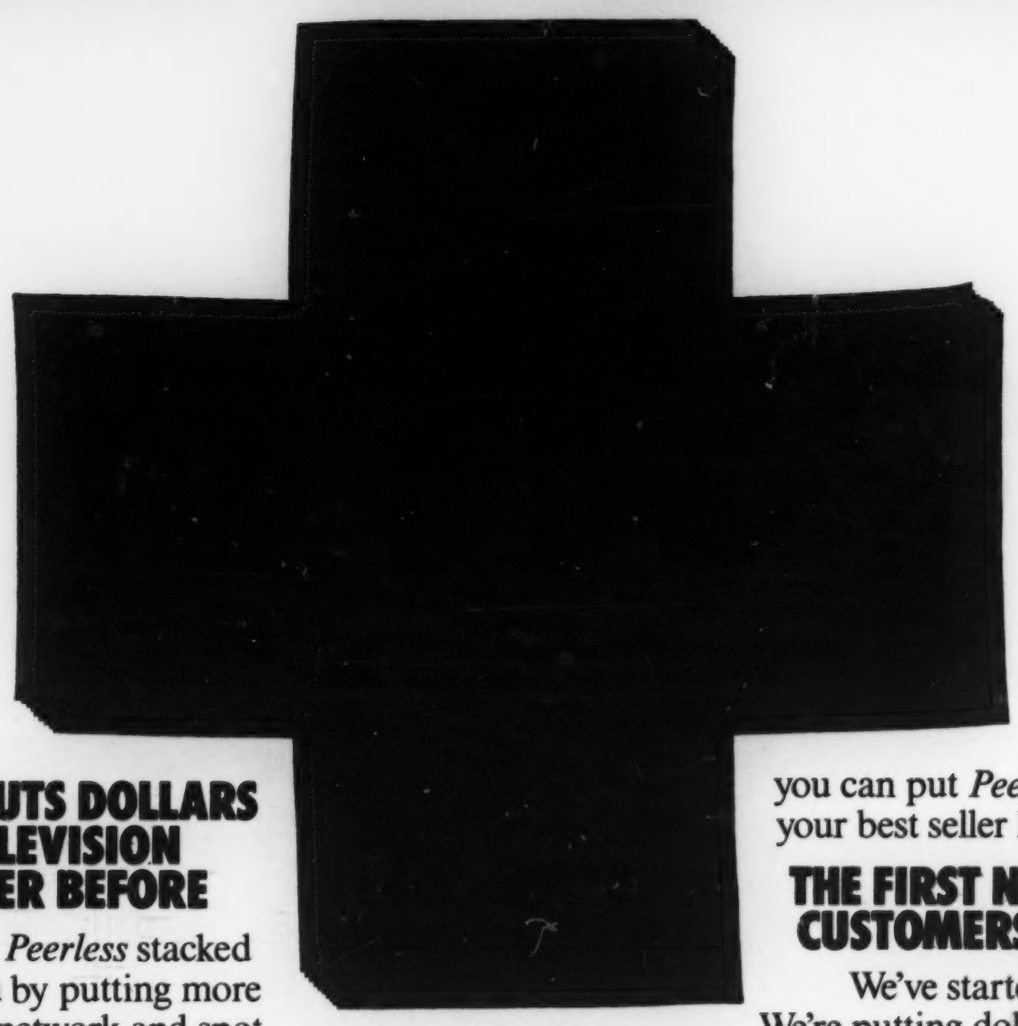
Joy A. Licina has been named assistant manager of conventions and conferences. Previously, Licina was a legal secretary.

John U. Baker, who was named manager of member services, had worked for *Hardware Merchandiser* magazine as associate editor.

Rounding out the list are W. Barry Moore, the head of the computer services department, and Kathryn L. Shank. Both had been in other positions in the association.

ANOTHER PEERLESS® PLUS

HOW PEERLESS® AD DOLLARS STACK UP AGAINST THE COMPETITION



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We've started a media blitz. We're putting dollars into television and print like nobody else. That means greater awareness, recognition and demand. The research shows your customers think of *Peerless* more than three times as often as they think of any other D-I-Y faucet brand.* You can take that to the bank.

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Peerless gives you the most extensive line of washerless D-I-Y faucets, and a dealer support program nobody else comes close to. Including Good-Better-Best displays, point of sale films, our co-op advertising program and more. So add the *Peerless* Plus, and watch the dollars stack up.

PEERLESS FAUCET®

*1981 Peerless Faucet Co. Consumer Tracking Study.

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HOUSEWARES

PRODUCT MOVEMENT AUDIT

Trading Up Harder But Still Goal

By JERRY FALK
Executive Vice President, Bacar, Distributors

The sluggish economy caught up to the West Coast in 1982, creating a tough first half for many discounters.

Unsure of what's around the corner for the economy, the chains are planning to go into the second half with inventory positions as lean as possible. The mood on the Coast isn't gloomy, but it is very cautious.

For the past few years, with interest rates at high levels, discounters have tended to buy merchandise closer to the time of need and rely on distributors more heavily for replenishments. Continuing high interest rates, plus customers' tightening of their purse strings, have accelerated discounters' leaning on the distributors for a better stock turn.

One area in which the chains are being very cautious is in big-ticket items. All higher-priced merchandise is being carefully scrutinized for the value it represents to customers.

Trade-up Problems

At the same time, the economy notwithstanding, most discounters are attempting to trade up to bolster their margins and remove themselves, as much as possible, from depending on highly price-competitive merchandise. This balancing act, always part of the retail business, becomes trickier in a rough economic climate.

The search for saleable upscale merchandise brought more discounters than ever out to the San Francisco gourmet show. For the most part, they were buying more inspiration than merchandise. But, the turnout of discounters was evidence of their tradeup objective. Improvement in the economy could quickly open the door to higher-priced goods on discounters' shelves.

The first half of the year was also soft for housewares manufacturers. This means they should be offering a number of good specials and promotions during the Housewares show.

This Product Movement Audit covered the period of January through the end of April. Like past reports, it showed that Corning's Dimension IV dinnerware led the pack in the tabletop classification.

Cinnamon, the color that was the top seller in 1981, is still leading in 1982. Next in line is slate, a late 1981 introduction, followed by almond and citrus.

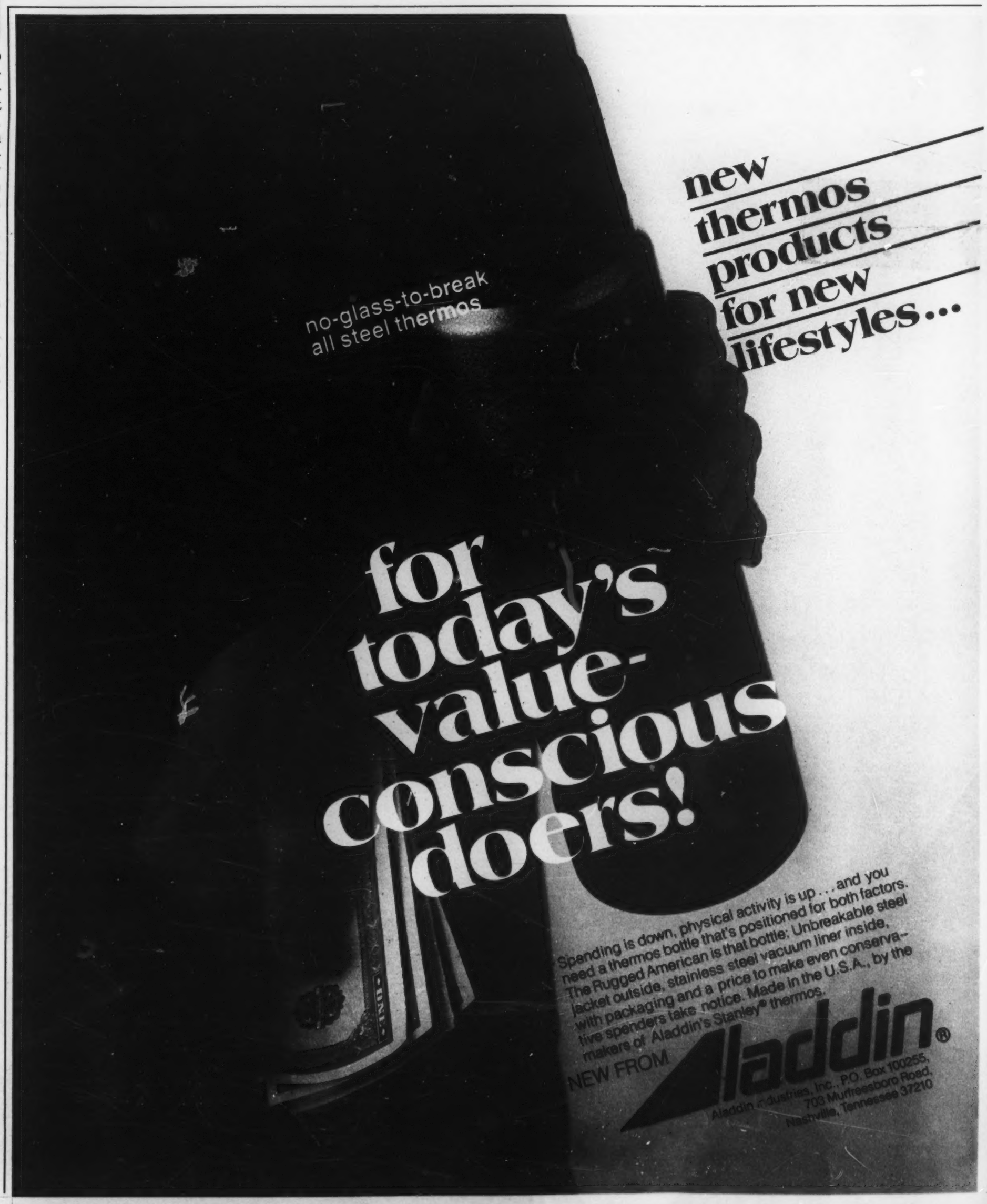
Expressions 20-pc. sets continue to outsell the opening-

(Continued on page 22D)

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	TABLETOP			
1	3216-32 Dimension IV 16-pc set, cinnamon	619	44.99	27,848.81
2	3216-34 Dimension IV 16-pc set, slate	516	44.99	23,214.84
3	3216-33 Dimension IV 16-pc set, almond	505	44.99	22,719.95
4	3216-31 Dimension IV 16-pc set, citrus	440	44.99	19,795.60
5	2020-12 Expression 20-pc set, Indian Summer	272	67.49	18,357.28
6	2020-7 Expression 20-pc set, Wild Flower	269	67.49	18,154.81
7	16-N Corelle 16-pc set, white	442	34.19	15,111.98
8	41 Corelle med bowl, white	1,194	11.69	13,957.86
9	2020-13 Expression 20-pc set, Meadow	194	67.49	13,093.06
10	16-4 Corelle 16-pc set, gold	380	34.19	12,992.20
11	110 Corelle large plate, white	983	12.14	11,933.62
12	16-1 Corelle 16-pc set, green	316	34.19	10,804.04
13	16-6 Corelle 16-pc set, Woodland	305	34.19	10,427.95
14	108 Corelle med plate, white	954	10.79	10,293.66
15	7200181 Durand Rosaline 16-pc Hostess set	455	22.50	10,237.50
	GLASSWARE			
1	190/489 Anchor Hocking 1-gal sun tea jar	5,166	4.14	21,387.24
2	515 Libbey Citation 6-1/2-oz tall wine	2,304	6.93	15,966.72
3	3033099 Drnd Spr Nblss, 12-oz Savoie wn, 6 pk	1,068	13.05	13,937.40
4	3033057 Durand, S/N, 12-3/4-oz Blln wine, 6 pk	986	13.05	12,867.30
5	151 Anchor Hocking stor jar w/wood lid 1-liter	2,969	4.05	12,024.45
6	3033073 Durand S/N, 13-oz, Cuvee wine, 6 pk	920	13.05	12,006.00
7	8006371 Durand 10-oz clear mug	8,412	1.17	9,842.04
8	519 Libbey Citation stem goblet	1,403	6.93	9,722.79
9	153 Anchor Hocking stor jar w/wood lid 2-liter	1,948	4.95	9,642.60
10	516 Libbey Citation 6-1/2-oz round wine	1,187	6.93	8,225.91
11	300-6 Twilight oil lamp Early American	925	7.64	7,067.00
12	682 Libbey Citation white wine 11-oz	1,018	6.93	7,054.74
13	904 Libbey Chivalry bev, 4 pk	1,305	4.95	6,459.75
14	608 Libbey beer stein 12-oz	2,382	2.70	6,431.40
15	319-2 Twilight oil lamp Pewt Jefferson	618	10.34	6,390.12

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	COOKWARE			
1	M169743 Mirro 7-pc set SilverStone, almond	759	62.95	47,779.05
2	2701 Revere 2-1/3-qt teaktl ss/cb	2,439	17.55	42,804.45
3	37051 T-Fal 7" skillet, rouge	5,860	7.18	42,074.80
4	M076743 Mirro 2-pc skilt st SilverStone, almt	1,104	26.95	29,752.80
5	3501 Revere 3.5-qt teaktl ss/cb	1,146	23.40	26,816.40
6	1121 Revere 6-cup teaktl ss/cb	1,640	15.75	25,830.00
7	64100 Ekco b/s 15 x 10 cookie sheet	6,923	3.50	24,230.50
8	3321 Dawo copper bell teaktl dlft handle	1,428	16.20	23,133.60
9	CKU809 Dawo copper 5-pc kitchen tool set	805	25.20	20,286.00
10	9521 AB&I c/iron chick fry w/lid	1,185	17.09	20,251.65
11	64330 Ekco b/s 9 x 13 oblong cake pan	5,445	3.50	19,057.50
12	3137 CM low fat broiler, large 13 x 9	3,347	5.66	18,944.02
13	2252-2 Revere 2-qt sign teaktl copper	670	27.90	18,693.00
14	51199 Nordic 12-cup formed bundt, asst	2,244	7.64	17,144.16
15	64110 Ekco b/s 17 x 11 cookie sheet	4,234	3.95	16,724.30
	CORNING			
1	F-370-S French White 10-pc Hostess set	435	74.69	32,490.15
2	F-21 Roaster, French White	1,266	24.74	31,320.84
3	A300-8S Starter Set, Spice	524	50.39	26,404.36
4	A-300-7 Kitchen Starter Set, Wildflower	492	50.39	24,791.88
5	A-300-8 Starter Set, Spice	480	50.39	24,187.20
6	F-8 Pie Plate/quiche, French White	2,395	8.99	21,531.05
7	F-5-S 1-1/2-qt cvrd rnd cssrl, Frnch Whi	1,115	17.09	19,055.35
8	F-4-S 2-1/2-qt Open oval cssrl, Frnch Whi	1,116	16.65	18,581.40
9	A300-7S Starter set, Wildflower	358	50.39	18,039.62
10	F-2 2-1/2-qt Oval casserole w/lid, white	913	19.34	17,657.42
11	F-3 10" Pie/quiche, white	1,300	11.69	15,197.00
12	A-500-8N Chef Master set, Spice	166	85.49	14,191.34
13	F-1 2-1/2-qt Round casserole w/lid, white	677	19.34	13,093.18
14	A130-7S 6-pc Set, Wildflower	383	33.75	12,926.25
15	A130-8S 6-pc Set, Spice	376	33.75	12,690.00

(Continued on page 22D)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HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 22C)			
	PYREX			
1	233-N-S 3-qt Baking dish	6,234	5.39	33,601.26
2	233 3-qt Oblong bake dish	4,283	6.74	28,867.42
3	234 4-qt Oblong bake dish	3,252	8.81	28,650.12
4	516 16-oz Liquid measure	5,925	2.96	17,538.00
5	222-S 8" Square cake dish	4,308	4.04	17,404.32
6	233-F Fireside 3-qt utility dish	2,393	7.19	17,205.67
7	532-S 1-qt Liquid measure	4,499	3.77	16,961.23
8	3520-S 2-liter Juice jug	3,734	4.49	16,765.66
9	232 2-qt Oblong bake dish	2,724	5.75	15,663.00
10	508 8-oz Liquid measure	6,510	2.33	15,168.30
11	4630N-S 6-oz Custard cup 4-pk	4,547	3.23	14,686.81
12	3515-S 1-1/2-liter Juice jug	3,959	3.59	14,212.81
13	463-D-N 6-oz Custard cup 4-pk	3,491	3.59	12,532.69
14	2330 3-qt Utility dish w/basket	752	16.64	12,513.28
15	213-S 1-1/2-qt Loaf dish	3,846	3.05	11,730.30
	MICROWAVE			
1	62304 Nordic Micro-Go-Round	1,953	50.39	98,411.67
2	P150-BPS Corning Grab-It	8,538	6.07	51,825.66
3	MWA-10-S Corning 10" covered brwning skllt	1,236	28.35	35,040.60
4	MW-2 Corning Micro browning grill	1,179	29.24	34,473.96
5	63204 Nordic micro bacon/meat rack	3,858	8.09	31,211.22
6	MW-11-S Corning Little Sizzler	1,255	18.45	23,154.75
7	61604 Nordic micro large grill sheet	1,674	11.69	19,569.06
8	MW-A-10 Corning 10" covered brwning skllt	547	28.34	15,501.98
9	PM469T1 Anchor Hocking bacon rack	2,352	6.52	15,335.04
10	P-150 Corning Grab-It set, white	939	12.59	11,822.01
11	486 Microette plate covered clear	2,166	5.39	11,674.74
12	P-14 Corning 14-oz covered casserole, whi	1,186	8.54	10,128.44
13	61104 Nordic micro bundt	1,236	8.09	9,999.24
14	PM481T1 Anchor Hocking 1-qt pan w/cvr	1,498	6.52	9,766.96

(Continued on page 24)

Wal-Mart remerchandised its cookware to include higher-priced 7-pc. Club Aluminum sets at $60, and imports in heavier gauge aluminum in sets and open stock. *(DSN photo)*

PIMA®

PRODUCT MOVEMENT AUDIT

Trading Up

(Continued from page 22C)

price-point Corelle 16-pc. sets on the Coast.

One reason for the weaker showing of Corelle sets is their presence and very competitive pricing at the catalog chains. Now that Corning is making Corelle more readily available in open-stock pieces, which aren't stocked by the catalogers, these items will be showing up frequently on the audit.

In open-stock Corelle, the audit for the first four months showed the bowl in white ranking No. 8; the large plate in white as No. 11, and the medium plate in white as No. 14.

Ranking No. 15 in the tabletop listing was J. G. Durand's 16-pc. Rosaline hostess set. The Rosaline pattern has been very strong across the board—in dinnerware and in stemware. The only drawback to the set is the long lead time required to maintain an in-stock position on this imported item.

The trend is still toward crystal clear in glassware, followed by solid-color clear and then decorated glassware. Combination-set sales were just moderately successful during the first half due to their higher price points.

Interest Noted

Customers did respond to combination-set promotions at a price. Beverage sets of 24 pcs. moved strongly at $10.99 to $12.99. The best price points in stemware sets were somewhat higher, $12.99 to $14.99.

J. G. Durand's Super Noblesse stemware, in 6-pks., has been excellent, taking spots No. 3, 4 and 6 on the audit.

Libbey's Citation stemware, a sales leader in 1981, continued its strong showing in the glassware category. The Citation group captured four places in the top 15.

Oil lamps, which come in handy during California brownouts and blackouts, have been given a shot in the arm by the whole nostalgia trend. Consistently steady sellers, the new fashion push has propelled the oil lamps in early American styling to the top-selling group of glassware items.

Along the same lines, it is expected that the Pyrex Hurricandle will repeat last year's outstanding sales performance during the second half of 1982.

Corning's fall program is an aggressive one with the introduction of several items which look to have excellent sales potential. Its new group of small pieces—Grab-A-Meal bowls, the Plate-and-a-Half platters, the Store 'N' Pour—look strong, as do the additions to the French White line.

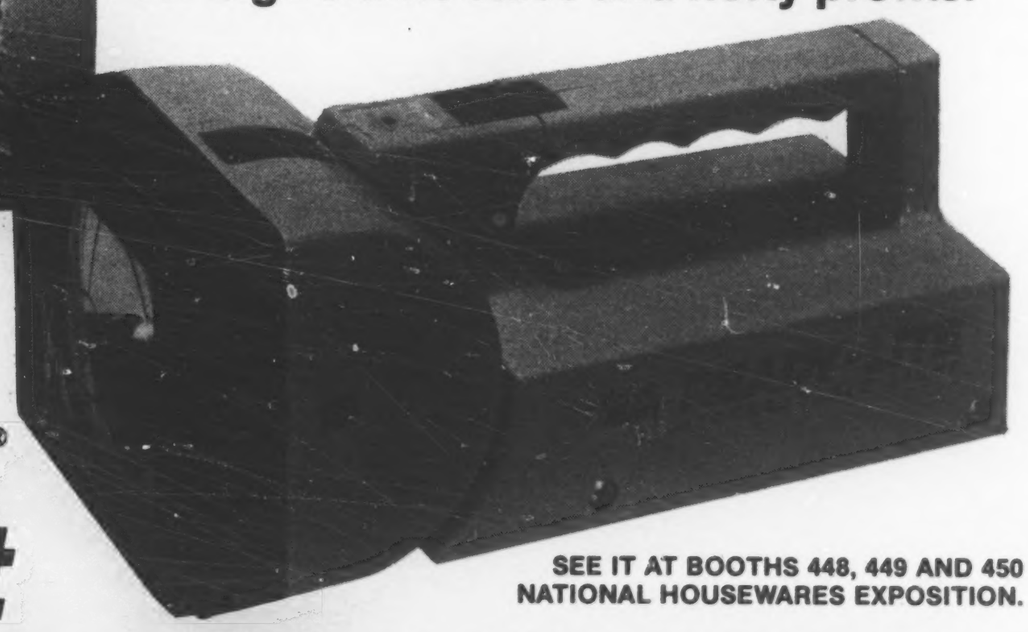
French White continued to dominate the Corning audit with the 10-pc. hostess set ranking No. 1. In units the leader is the French White pie/quiche plate in the 8-in. size.

The cookware category showed a newcomer to the top

(Continued on page 24)

William Conrad will help millions see the light this fall!

"Now I'm doing TV commercials for a remarkable new kind of light— a rechargeable light with the famous FIRST ALERT name and the potential for big volume sales and hefty profits!"



TV Star William Conrad

Introducing the powerful NEW First Alert® READY-LITE™ RECHARGEABLE LIGHT from PITTWAY®

SEE IT AT BOOTHS 448, 449 AND 450 NATIONAL HOUSEWARES EXPOSITION.

Everyone who's ever had a flashlight that didn't work, couldn't be found, fizzled out, or fell apart is a prime customer for Pittway's new First Alert READY-LITE!

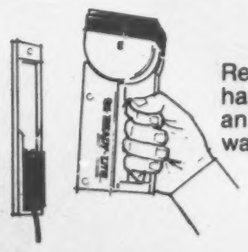
READY-LITE hangs on the wall, recharging constantly. It's right there. Easy to find when needed. Always ready for use. It beats other rechargeable lights, too, because not one of them has all these features:

- More powerful beam.
- More hours of power per charge.
- Can be recharged up to 2,000 times.
- Adjustable beam direction—45° upward and 45° downward.
- Adjustable beam width.
- Stands upright for hands-free operation.
- Beam intensity switch for OFF/ON/BURST.
- Unobtrusive wall mount.

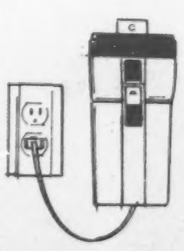
READY-LITE is the kind of innovative product you'd expect from Pittway — and it's being launched in the powerful Pittway style, too! Watch for the coming roll-out with all this marketing support:

- New William Conrad TV commercials!
- Intensive pre-holiday television schedule!
- Print advertising in magazines like *People, U.S. News,* etc.
- Topflight packaging in the Pittway tradition, in-store displays, and P.R. support!

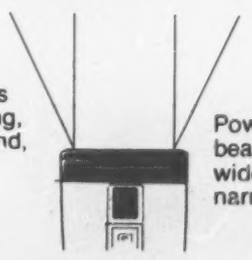
Get ready for READY-LITE now. It's a natural for Christmas selling this year, and steady profitable selling for years to come!



Ready-Lite hangs on an unobtrusive wall mount.



It's always recharging, easy to find, ready.



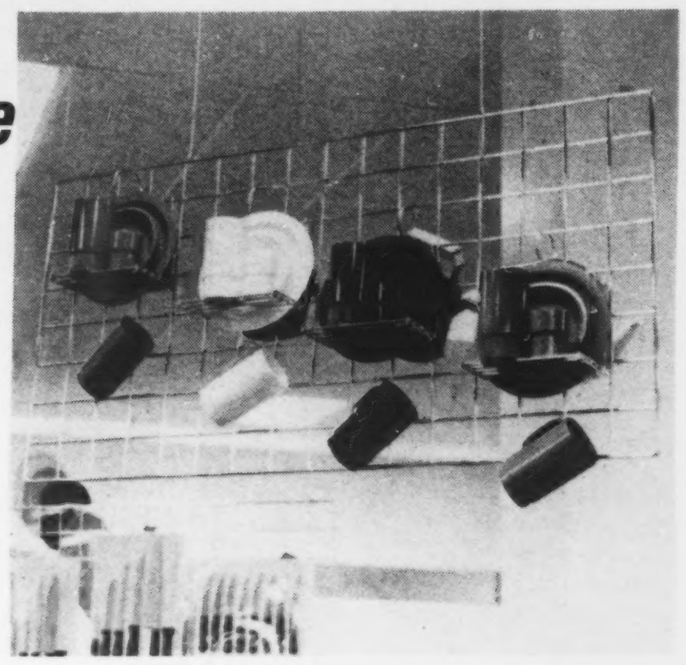
Powerful beam can be widened or narrowed.

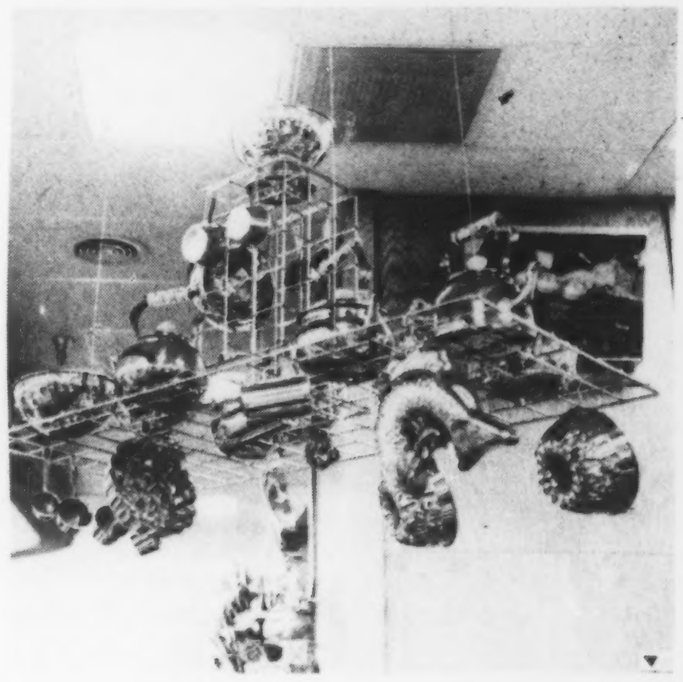
Easy to use when you need both hands free.

HOUSEWARES

Housewares Program Due At Mervyn's

An assortment of copper kettles planted in Mervyn's stores three months ago is expected to bloom into a firmly established housewares program by this fall. The 83-unit soft lines specialty chain reportedly will add moderate-priced tabletop, glassware, ceramics and cookware to the mix. No final decisions about space allotment or breadth and depth of mix had been made at presstime, a spokesman for the Dayton Hudson division said. Signs of the transformation into a full department, however, were evident in the chain's San Diego unit in early June. Copper kettles and bowls were married to high-tech plastic tabletop and cutlery in an area adjacent to domestics. The Hayward, Calif.-based chain has also expanded its staff for the new program, with former I. Magnin department store buyer J. H. Sharff, who joined the firm in housewares in early June. David Brunkal is divisional merchandise manager.





Market Share

(Continued from page 17)

"But, housewares as a whole has been doing slightly better than the total store; we think this will continue."

Hal Pettit, senior vice president, buying and merchandising, T.G. & Y., is looking for a strong second half for housewares. "We're planning to be very heavy, very aggressive with promotions. At the same time, we're trading up. We know customers want quality merchandise but at reasonable prices. We think this is the time to be more aggressive and increase our market share."

A Minor Problem

If Pettit is concerned about any area of housewares, it's traffic electrics.

"Our business has been very good because we've stayed in stock on basics. We used to put in any new item that came along but for every good item, we had five that were markdowns. We don't do that anymore. But the category does need new volume items like popcorn pumpers or food processors."

Pettit noted sales were increasing in fashion dinnerware, with ironstone representing a bigger part of the business. Another area where Pettit is bullish is furniture, a department added at T.G. & Y. in 1981.

Similarly, Frank Newman,

(Continued on page 43)

PMA® PRODUCT MOVEMENT AUDIT

Trading Up

(Continued from page 22D)

15 list. That's Mirro's 7-pc. set with an almond exterior, SilverStone interior. The 7-pc. set ranked No. 1.

The copper teakettle with a Delft handle and the copper 5-pc. kitchen tool set were also new to the list of best sellers. For the second half, copperware in cookware and decorative items is expected to continue strong and be bigger this Christmas than last.

Microwave cookware keeps growing in sales on the West Coast.

(Continued from page 22D)

PLASTICS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	332 Tucker 30-gal garbage can	2,658	11.69	31,072.02
2	5187 Freezette pitcher bonus	4,472	3.94	17,619.68
3	3141 Tucker 16-oz tumbler w/disp	28,032	0.44	12,334.08
4	156 Freezette uprite set 1-qt	3,606	2.96	10,673.76
5	154 Freezette uprite set 1-pt	3,584	2.96	10,608.64
6	155 Freezette uprite set 1.5-qt	3,226	2.96	9,548.96
7	5987 Superseal jar container 110-oz	3,231	2.60	8,400.60
8	328-R Evlo 1/2-gal milk carton holder	5,484	1.34	7,348.56
9	4470 Superseal meat save flat	2,616	2.60	6,801.60
10	153 Freezette upright set 3/4-pt	2,244	2.96	6,642.24
11	152 Freezette upright set 1/2-gal	1,930	2.96	5,712.80
12	60061 Cadence Stemtrak, clear acrylic	920	5.84	5,372.80
13	2912 Superseal bowl w/lid 3-qt	1,932	2.69	5,197.08
14	6251 Superseal rectangular saver 110-oz	1,854	2.69	4,987.26
15	3140 Tucker 30-oz tumbler w/disp	7,776	0.62	4,821.12

CLOSET & STORAGE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	4000 McMillin wire shoe rack	4,008	3.14	12,585.12
2	BT-100 A & E plastic tubular hanger, brown	23,148	0.26	6,018.48
3	BT-100 A & E plastic tubular hanger, beige	22,048	0.26	5,732.48
4	BT-100 A & E plastic tubular hanger, white	19,480	0.26	5,064.80
5	BT-100 A & E plastic tubular hanger, yellow	17,772	0.26	4,620.72
6	9020 Wall skirt hanger set metal	1,162	2.06	2,393.72
7	195/7 Wil-Hold large storage box	348	6.74	2,345.52
8	176 Tucker shoe box, asst	1,080	1.79	1,933.20
9	195-6 Wil-Hold small storage box	312	5.57	1,737.84
10	9060 Wall over door hanger	720	1.70	1,224.00
11	9010 Wall 5-tier skirt rack	419	2.68	1,122.92
12	8324 Universal Asst 12-pocket shoe bag	253	4.31	1,090.43
13	8320 Universal Asst garment bag	184	5.66	1,041.44
14	195/5 Wil-Hold shoe box	492	2.06	1,013.52
15	52 Wall 5-tier metal slack rack	624	1.52	948.48

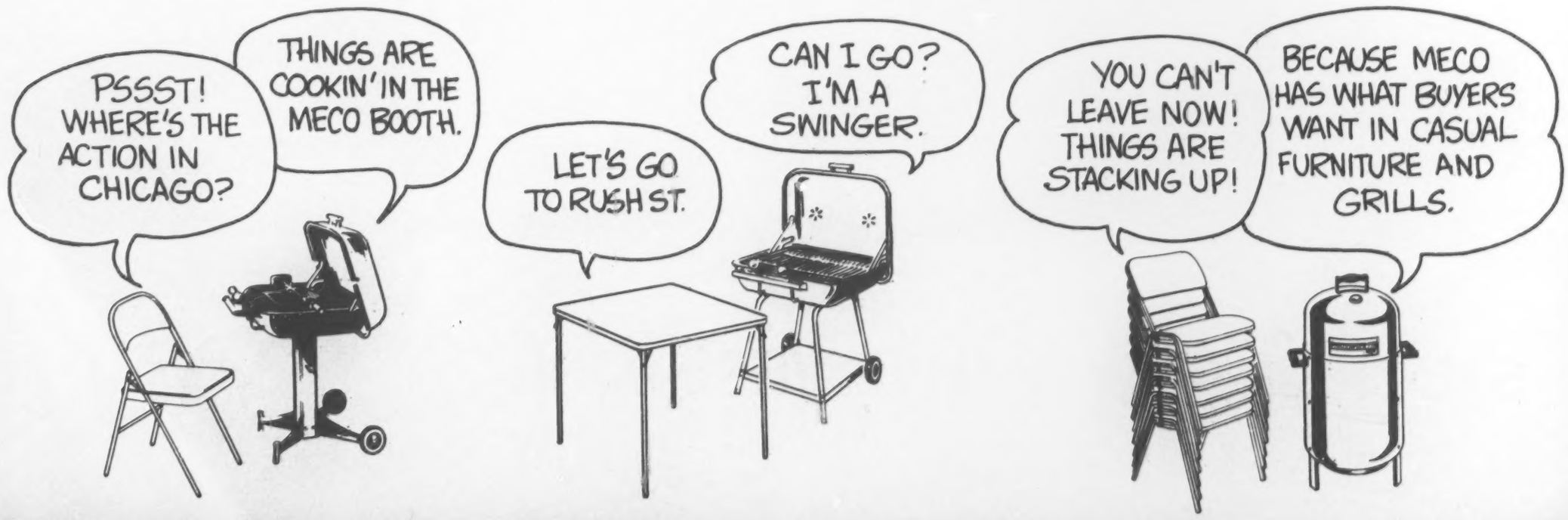
RUBBERMAID

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	2894-C Roughneck round can 32-gal, choc	1,013	25.64	25,973.32
2	2311-AL Slide-Out drawer 16", almond	2,016	11.06	22,296.96
3	2309-AL Slide-Out drawer 12", almond	2,015	10.16	20,472.40
4	2894-A Roughneck round can 32-gal, avocado	778	25.64	19,947.92
5	2965-C Rectangular laundry basket, choc	2,862	5.75	16,456.50
6	2937-AL Twin turntable, almond	3,732	4.31	16,084.92
7	2302-AL Stor turntable, almond	2,136	7.37	15,742.32
8	2936-AL Single turntable, almond	6,222	2.51	15,617.22
9	1181-25A Drain tray, almond	3,295	4.31	14,201.45
10	6032-25A Deluxe dish drain, almond	2,213	6.29	13,919.77
11	6032-25C Deluxe dish drain, choc	2,104	6.29	13,234.16
12	4200-Y Roughneck step stool, yellow	1,548	8.27	12,801.96
13	1181-25C Drain tray, choc	2,911	4.31	12,546.41

BATH SHOP

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	1107 Grayline king size shower caddy	6,302	5.12	32,266.24
2	206PR Willert bulk t/bowl deodorant, asst	22,320	0.62	13,838.40
3	C-441 Selfix shampoo spray	2,353	2.06	4,847.18
4	443 Selfix portable wall/hand shower	431	9.62	4,146.22
5	3306PM Borg scale wicker natural	219	18.89	4,136.91
6	2525LM Borg scale oval, almond	163	25.19	4,105.97
7	3300PM Borg scale square, brown	231	16.19	3,739.89
8	3300PM Borg scale square, almond	204	16.19	3,302.76
9	7210LM Borg scale rectangular, white	148	21.59	3,195.32
10	3300PM Borg scale square, almond	148	21.59	3,195.32
11	7210LM Borg scale rectangular, white	124	25.19	3,123.56
12	7210LM Borg scale rectangular, brown	120	23.39	2,806.80
13	2525LM Borg scale oval, brown	148	18.89	2,795.72

These housewares figures, for January through April 1982, were supplied by Bacar, distributors, San Jose, Calif., and cover 658 stores, including 480 mass merchandisers. Average retail prices reflect typical price points for mass merchandisers.


PSSST! WHERE'S THE ACTION IN CHICAGO?
THINGS ARE COOKIN' IN THE MECO BOOTH.
LET'S GO TO RUSH ST.
CAN I GO? I'M A SWINGER.
YOU CAN'T LEAVE NOW! THINGS ARE STACKING UP!
BECAUSE MECO HAS WHAT BUYERS WANT IN CASUAL FURNITURE AND GRILLS.

HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	TABLETOP			
1	16-4 Corelle 16-pc set gold	2,949	32.84	96,845.16
2	16-1 Corelle 16-pc set green	2,559	32.84	84,037.56
3	16-6 Corelle 16-pc set Woodland	2,112	32.84	69,358.08
4	16-5 Corelle 16-pc set blue	2,016	32.84	66,205.44
5	2020-7 Expressions 20-pc Wildflower	962	63.89	61,462.18
6	2020-12 Expressions 20-pc Indian Summer	912	63.89	58,267.68
7	2020-13 Expressions 20-pc Meadow	874	63.89	55,839.86
8	3216-34 Corelle Dim IV 16-pc set Slate	1,162	43.19	50,186.78
9	16N Corelle 16-pc set white	1,374	32.84	45,122.16
10	3216-32 Corelle Dem 4 16-pc set cinnamon	1,038	43.19	44,831.22
11	2020-16 Expressions 20-pc set strawberry	688	63.89	43,956.32
12	4020-71 Corelle Trad 20-pc harvest	646	47.69	30,807.74
13	4020-8 Corelle Trad 20-pc Spice	445	47.69	21,222.05
14	3216-33 Corelle Dim IV 16-pc set almond	402	43.19	17,362.38
15	4020-70 Corelle Trad 20-pc set Flirtation	356	47.69	16,977.64
	GLASSWARE			
1	3600/672A Anchor Hocking Entertainer set	660	26.09	17,219.40
2	N3600 Anchor Hocking gold Newport 24 pc	918	13.49	12,383.82
3	82486K Libbey 24 pc Bolero gold	630	17.09	10,766.70
4	824370 Libbey blue Count Squire 24 pc	386	27.44	10,591.84
5	82486B Libbey 24 pc Bolero blue	594	17.09	10,151.46
6	82430K Libbey gold Country Garden 24 pc	441	21.59	9,521.19
7	Y4200 Anchor Hocking Forest 24-pc set brown	574	13.49	7,743.26
8	225/3109E Anchor Hocking Cry Sham 9 oz	12,660	0.58	7,342.80
9	8425 Libbey Citation Pilsner 12 oz	4,352	1.70	7,398.40
10	379T Libbey Tawny cooler 4 pk	1,872	3.95	7,394.40
11	82496T Libbey Tawny Entertainer set 24 pc	420	17.09	7,177.80
12	82482 Libbey Chivalry 24-pc set	286	24.29	6,945.94
13	376T Libbey Tawny beverage 4 pk	1,908	3.50	6,678.00
14	8476 Libbey Tulip Grande 9 oz	2,916	2.24	6,531.84
15	2156CV/240 Anchor Hocking Roses bev 4 pk	1,542	4.22	6,507.24

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	COOKWARE			
1	M433BP Ekco Bakers oblong pan	8,079	3.59	29,003.61
2	M411BP Ekco Bakers cookie sheet	6,048	4.04	24,433.92
3	M410BP Ekco Bakers cookie sheet	5,719	3.59	20,531.21
4	M120BP Ekco Bakers 12-cup muffin	4,293	4.31	18,502.83
5	M447BP Ekco Bakers loaf pan	4,741	3.23	15,313.43
6	M426BP Ekco Bakers roast/bake	2,933	4.94	14,489.02
7	R411 Ekco cookie sheet	4,681	2.60	12,170.60
8	M408BP Ekco Bakers cookie sheet	3,966	2.87	11,382.42
9	M160BP Ekco Bakers pizza pan	2,847	3.59	10,220.73
10	HM60SP Hillside spring form pan	1,525	6.29	9,592.25
11	R433 Ekco roasting pan	4,057	2.24	9,087.68
12	M407BP Ekco Bakers loaf pan	3,482	2.60	9,053.20
13	51123 Nordic bundt pan, 12 cup gold	1,090	8.09	8,818.10
14	T120 Ekco 12-cup muffin pan	2,666	3.23	8,611.18
15	R410 Ekco cookie sheet	3,479	2.42	8,419.18
	PYREX			
1	233 Utility dish	5,752	6.47	37,215.44
2	6230F covered casserole and basket, Fireside	2,396	9.44	22,618.24
3	2320F 2-qt bake dish and basket	1,802	10.34	18,632.68
4	2330 3-qt bake dish and basket	1,154	15.74	18,163.96
5	463D Custard cup	5,064	3.50	17,724.00
6	234 Oblong bake dish 4 qt	2,113	8.27	17,474.51
7	532 Measure	4,239	4.04	17,125.56
8	508 Measure	7,502	2.24	16,804.48
9	222 Cake dish square	3,546	4.49	15,921.54
10	300-80 Bowl set 3 pc Shnd	1,324	11.69	15,477.56
11	232 Utility dish	2,840	5.39	15,307.60
12	516 Measure	5,165	2.87	14,823.55
13	440-80 Bowl set 4 pc Shend	816	16.64	13,578.24
14	6840 2-qt Casserole and basket	845	15.74	13,300.30
15	300-49 Bowl set 3 pc Autumn	1,042	11.69	12,180.98

(Continued on page 30)

PIA IMA®
PRODUCT MOVEMENT AUDIT

Trucking Dereg Has Resulted in Delivery Delays

By HAROLD RUBIN
President,
HalMar, Distributors

The uncertain course of the economy, plus vivid recollections of the sharp price cuts it took to move merchandise and clear inventory during the fourth quarter of last year, are combining to influence discounters' strategy for the balance of 1982.

The chains are gearing up to put their big guns into buying and advertising housewares during the third-quarter, back-to-school period. Their objectives are twofold: to build sales and create a profit cushion during this period, and to remain in a liquid inventory position, avoiding Christmas inventory buildups and potentially heavy markdowns.

Stressing the generation of third-quarter sales more heavily than in past years will also result in earlier nose-to-nose competition among the discounters in Christmas-type sharp pricing.

Another problem looming in the back half of '82 has nothing to do with the state of customers' finances. A big problem could be developing in the trucking slowdown.

The Reason Why

Before trucking deregulation, the majority of delivery delays occurred at the factory, not the trucking level. This situation is reversing with factories frequently getting orders out in a day. The waiting game now starts with the truckers, who, since deregulation, are sitting on shipments until they have accumulated more economical full-load runs. This unpredictability in delivery times from the truckers could become worse as the year progresses.

During the first half, most discounters' housewares business registered healthy increases in spite of the recession and a short list of new merchandise to build sales.

For most chains, customer response to Corning's rebate offerings on dinnerware was strong. To come out with a sharp dinnerware price, discounters promoted basic Corelle sets with the rebate instead of moving into higher priced Dimension IV and Expressions lines.

Reaction has also been good to Rubbermaid's space-saving merchandise program. Seafoam green, the manufacturer's 1982 color introduction in the kitchen assortment, is selling well for those chains which added it to their lineup. Seafoam, which wasn't greeted with uni-

(Continued on page 30)

Strength In Numbers

Canon is the brand your customers ask for. Millions of people are pre-sold on Canon products through our continuous advertising exposure on television and in print from coast-to-coast. Canon represents the state-of-the-art in 35mm photography, with design innovations that make SLR photography so advanced, it's simple.

Part of the strength of the Canon brand is the ability to match a quality Canon camera to almost every type of customer, from the snap-shooter moving up to the experienced amateur who wants all the latest features.

The Canon Sure Shot models are totally automatic cameras designed for the entire family. Canon SLR models range from the New F-1 professional system camera to the famous Canon "A" Series automatics which include the six-mode A-1, the AE-1 PROGRAM, the AE-1 and the economical AV-1. Canon FD lenses, dedicated speedlites and other accessories make multiple sales and repeat business an important part of our impressive sales record as well.

But you don't have to believe our numbers. Your own sales figures should tell the same story: Canon is the strong camera brand.

Canon

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Canon USA, Inc., 140 Industrial Drive, Elmhurst, Illinois 60126
Canon USA, Inc., 6380 Peachtree Industrial Blvd., Norcross, Georgia 30071
Canon USA, Inc., 123 Paularino Avenue East, Costa Mesa, California 92626
Canon USA, Inc., Bldg. B-2, 1050 Ala Moana Blvd., Honolulu, Hawaii 96814
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HOUSEWARES

Zodys maintains a 16-ft. gondola run of combination glassware sets. Prices range from $7.99, for promotional items, up to $19.99, with the meat of the business from $10 to $15.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 26B)			
	CORNING			
1	F330 French White 3-pc set	935	42.29	39,541.15
2	N350 Rangetopper 6 pc Cornflower	565	62.09	35,080.85
3	N350-8 Rangetopper 6 pc Spice	360	69.29	24,944.40
4	F5 French White 1½-qt coverd casserole	1,272	16.19	20,593.68
5	F15 French White 15-oz oval casserole	1,475	13.04	19,234.00
6	A300-8 Kitchen Starter set Spice	366	47.69	17,454.54
7	A300 Kitchen starter set	417	41.84	17,447.28
8	N320-8 Starter set, Spice	295	54.89	16,192.55
9	N320 Starter set 5 pc Cornflower	325	48.59	15,791.75
10	P150 Grab-It set	1,362	11.51	15,676.62
11	A300-7 Starter set Wildflower	307	47.69	14,640.83
	MICROWAVE			
1	M-W-2 Corning grill	915	27.44	25,107.60
2	MWA-10 Corning covered browning skillet	628	25.73	16,158.44
3	MW-360 Corning set	293	48.59	14,236.87
4	PM469/T1 Anchor Hocking bacon rack	1,811	6.83	12,369.13
5	MW12 Corning pizza crisper	434	26.99	11,713.66
6	MR1 Corning rack	1,111	10.16	11,287.76
7	PM400/126 Anchor Hocking corn popper	756	12.59	9,518.04
8	MW-11 Corning browning grill	543	17.27	9,377.61
9	PM447/T1 Anchor Hocking muffin tin	1,080	7.19	7,765.20
10	PM479/T1 Anchor Hocking roast rack	1,020	6.83	6,966.60
11	M-10-GR Corning cooker w/rack	351	19.79	6,946.29

(Continued on page 32)

Scotch
-gard
carpet
cleaner
+protector
New
Scotchgard™ Brand
Carpet Cleaner
+ Protector...
A PROVEN
SUCCESS
It's here. It's a test-market success. It's slated for big consumer media support for you.
It's new Scotchgard™ Carpet Cleaner + Protector. It means that now, for the first time, there's a top-notch product that combines the patented Scotchgard protector ingredient with a highly effective carpet cleaner!
Lab tests prove conclusively that it gets carpets clean and keeps them clean longer. Much longer. Test-market results prove that consumers see the combination as a big breakthrough!
Ask your 3M salesperson about the ambitious TV and magazine schedule for new Scotchgard™ Carpet Cleaner + Protector. Ask about our promotional support...and about the profit picture...

PIMA®

PRODUCT MOVEMENT AUDIT

Trucking Dereg

(Continued from page 26B)

versal enthusiasm, has proven to be the Rubbermaid color introduction stimulating the most reorder business.

For the second half, Rubbermaid is introducing two new colors in bath merchandise: melon and pineapple yellow.

The trade-up trend in housewares as a whole will continue, despite economic pressures, with decorative items supplying some of the opportunities to move higher-priced goods. Basics will remain highly price competitive.

In the decorative area the outlook remains strong for kettles, ceramics and woodenware. Copperware, which has represented substantial business for many chains, is questionable in terms of holding up strongly through the Christmas period.

An area where discounters are finding little resistance to higher price points is in mugs. Chains are moving up to the $2.99-per-mug price very successfully with a merchandise mix including a variety of sizes and more sophisticated colors and patterns. For instance, customers are responding to fashion solid colors and contemporary patterns at the high end, instead of traditional patterns like florals.

Keeping Pace

This Product Movement Audit, covering the period Jan. 1 through May 7, once again shows Corelle 16-pc. dinnerware sets as the leaders in the tabletop category. Gold, like last year, is still the top-selling color.

For the second half, Corning is offering promotions on 35-piece Corelle sets which could be strong. The manufacturer has also added a new Corelle pattern, Morning Blue.

In Corning's Pyrex line, staples such as the utility dish, measuring cups and custard cups were the items selling in quantity. The Fireside line, offerings with a basket, is a solid seller.

For the holiday period, Pyrex

(Continued on page 32)

Family Dollar Files For Stock Offering

MATTHEWS, N.C.—Family Dollar Stores has filed with the Securities & Exchange Commission a registration statement for its proposed secondary offering of 800,000 shares of common stock.

The selling stockholders are Leon Levine, chairman and founder of the company, and trusts holding shares for his children.

After the offering, Levine and his family will own 54% of the outstanding common stock.

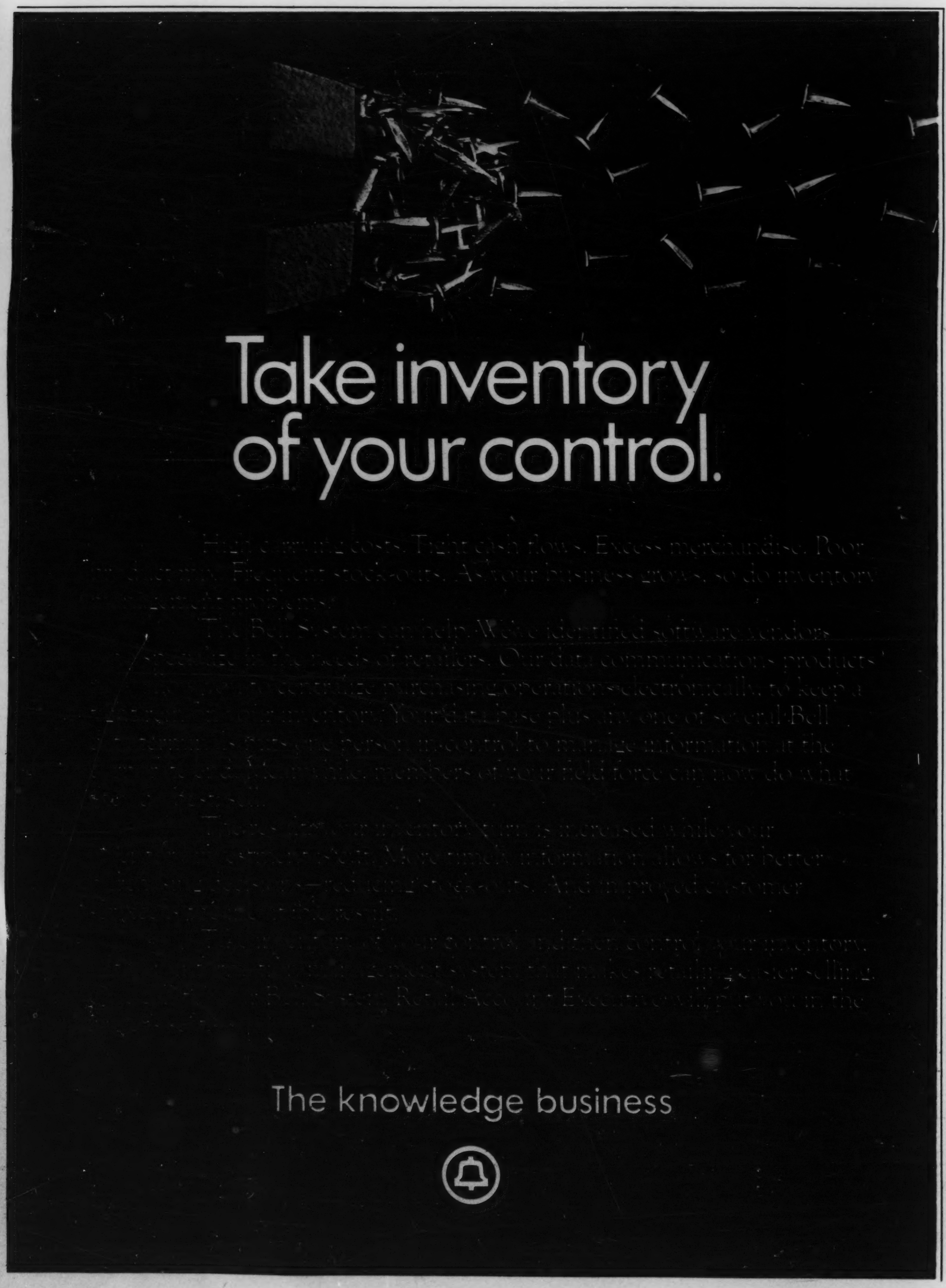
The company operates 511 retail stores in 10 Southeastern states and expects to have opened 16 more by the end of the fiscal year on Sept. 1, 1982.

HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 30)			
	RUBBERMAID			
1	2882 Covered trash can 20 gal	1,800	14.39	25,902.00
2	2965 Laundry basket choc	3,699	5.57	20,603.43
3	2864 Fliptop basket choc	2,159	8.09	17,466.31
4	0450 Bath mat white	4,637	3.23	14,977.51
5	2965 Laundry basket gold	2,679	5.57	14,922.03
6	2965 Laundry basket almond	2,626	5.57	14,626.82
7	2850 basket lif lid choc	1,761	8.09	14,246.49
8	6032 Dish drainer choc	2,245	6.11	13,716.95
9	0450 Bath mat choc	4,160	3.23	13,436.80
10	0450 Bath mat light blue	3,836	3.23	12,390.28
11	2951 Dish pan choc	3,908	3.14	12,271.12
	PLASTICS			
1	5187 Republic 78-oz decanter w/pt pitch	4,756	1.79	8,513.24
2	SC510 Deka Strawberry Shortcake mug	5,200	1.52	7,904.00
3	364 Loma 32-gal refuse can w/locklid	512	12.32	6,307.84
4	E6242 Eagle 22-oz oblong saver	4,792	1.25	5,990.00
5	SC530 Deka Strawberry Shortcake tumbler	4,766	1.25	5,957.50
6	156 Republic Freezette 1 qt	2,006	2.96	5,937.76
7	SC590 Deka Strawberry Shortcake bowl	3,805	1.52	5,783.60
8	E6244 Eagle ss 44-oz oblong saver	3,080	1.79	5,513.20
9	E5984 Eagle ss 3402 jar saver	4,006	1.34	5,368.04
10	T334 Tucker trash can 22 gal	594	8.99	5,340.06
11	SU510 Deka Smurfs mug 10 oz	3,502	1.52	5,323.04

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	CLEANING CHEMICALS			
1	FC4101 3M 16-oz Scotch Guard	2,890	5.93	17,137.70
2	339 Johnson Wax Lemon Pledge 14 oz	3,765	3.14	11,822.10
3	271 Texize Fantastik 32 oz	4,608	2.51	11,566.08
4	120 Drackett Draino 26 oz	2,844	3.77	10,721.88
5	A14 Scotts Liquid Gold 14 oz Aerosol	2,325	4.31	10,020.75
6	293 Drackett Endust 10 oz	2,823	3.50	9,880.50
7	182 Johnson Wax Future 27 oz	2,088	4.49	9,375.12
8	Murphys oil soap 1 lb	3,834	2.24	8,588.16
9	127 Drackett Windex and Sprayer 22 oz	3,138	2.51	7,876.38
	BATH SHOP			
1	Magnolia molded toilet seat white	2,645	9.44	24,968.80
2	Magnolia padded seat white	842	17.54	14,768.68
3	Magnolia portable shower spray	1,273	9.62	12,246.26
4	Magnolia padded seat blue	689	17.54	12,085.06
5	Magnolia padded seat brown	679	17.54	11,909.66
6	Selfix shampoo spray	4,683	2.06	9,646.98
7	Magnolia padded seat gold	456	17.54	7,998.24
8	Ekco 18" towel bar	3,086	2.42	7,424.56
9	Selfix twin hook	5,366	1.34	7,190.44

These housewares figures, for Jan. 1 through May 7, 1982, were supplied by HalMar Distributors, Holyoke, Mass., and cover more than 500 stores, including 400 full-line discount stores from New England to the Carolinas. Average retail prices reflect typical price points for discount chains.



PIMA®
PRODUCT MOVEMENT AUDIT

Trucking Dereg

(Continued from page 30)

is following up on its Christmas 1981 success story with the Hurricandle by adding a twin-Hurricandle set.

The glassware audit for the first four months showed the continuing strength of multiple-piece sets. Nine of the top 15 items in the category were 24-pc. combinations. Sets will continue strong through the year, increasing retailers' return on investment.

Microwave cookware hasn't evolved into the major category in New England that it has in other parts of the country, notably on the West Coast. The top item in the category in dollar movement remains Corning's microwave grill. In unit sales, Anchor Hocking's bacon rack is the leader, followed by Corning's Micro rack.

Basic laundry and wastebasket items still dominate the Rubbermaid merchandise in dollar volume. The bathmat in white is No. 1 in unit movement; chocolate in bath mats follows closely behind. Light blue is No. 3.

Promising Area

Basic merchandise from Republic's Freezette group and from Eagle are solidly entrenched as top sellers in the plastics category.

Basics are just one side of the coin in plastics. The other side is represented by the strength of licensed products. Deka's Strawberry Shortcake mug ranked No. 2 in plastics; the tumbler No. 5; the bowl, No. 7.

Other currently hot licensed character stories are Smurfs, Dukes of Hazzard and Pac-Man in the Deka mugs, tumblers and bowls.

For the second half, Deka is introducing another licensed product based on its recent success as a video game. It's called Donkey Kong.

Though Donkey Kong merchandise, other than the cassette, has yet to hit the shelves, there are already murmurs in the industry that it could be bigger than, and ultimately replace, Pac-Man.

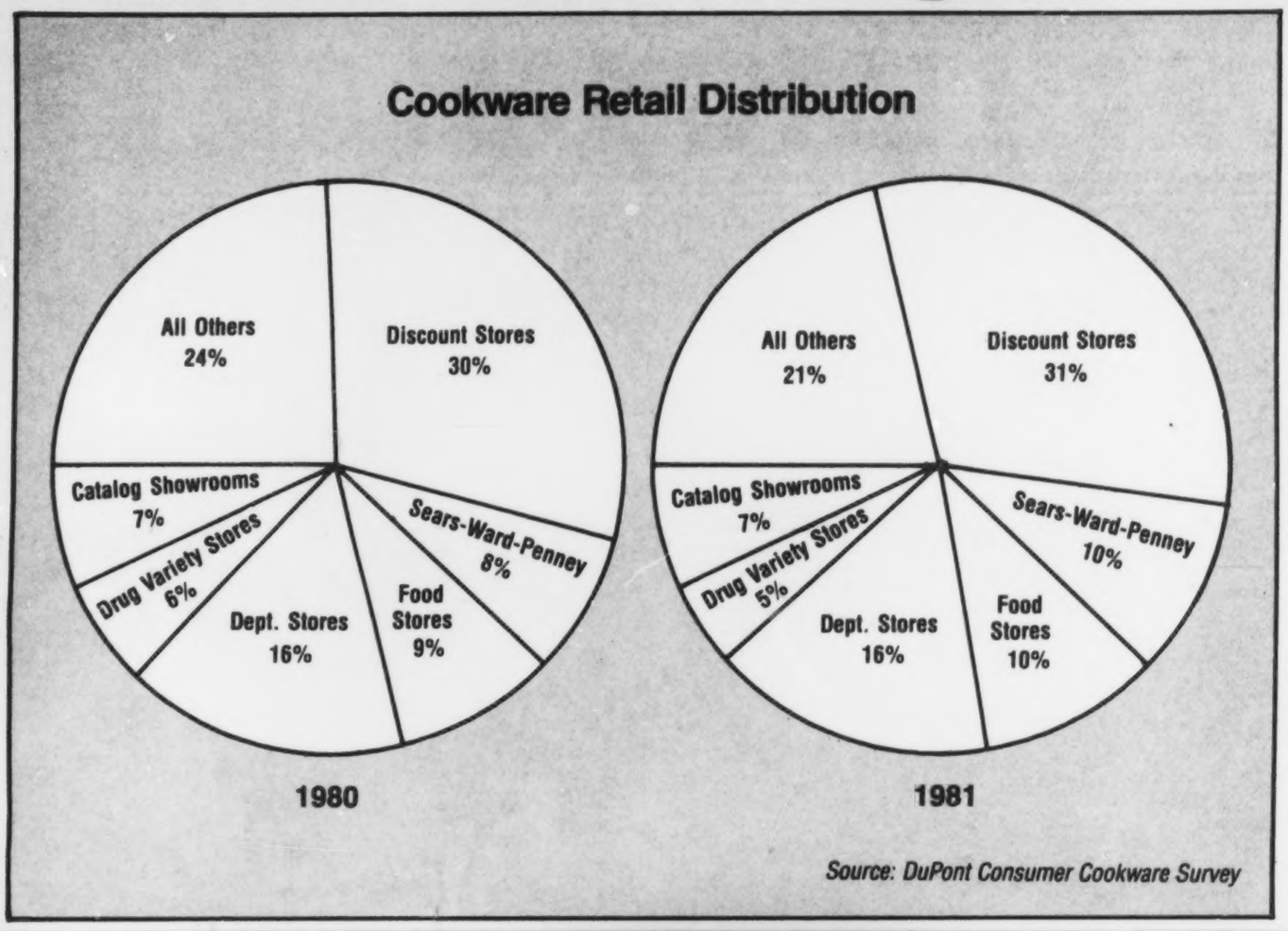
Recreational Gear Sales Predicted To Grow 7%/Year

CLEVELAND—United States recreational equipment sales will grow at an average annual rate of 7% through 1995, reaching a $7.6 billion total, according to Predicasts Research Group, a market research firm based here.

Recreational equipment sales will also grow less rapidly than overall recreational spending, which is expected to grow $9.2 billion annually and exceed $400 billion in 1995. The report stated that United States recreational equipment sales increased more than 10% per year from 1967 to 1980, when sales reached $2.7 billion.

HOUSEWARES

Discount Stores Strengthen Lead in Cookware Sales



Source: DuPont Consumer Cookware Survey

NEW YORK—Discounters continued to dominate the cookware market in 1981 with a 31% share of all cookware distribution, according to the Consumer Cookware Survey issued by Du Pont.

The study showed discounters' performance was on par with their performance in 1979, after slipping slightly in 1980 when their share was 30%.

Breaking out statistics for K mart in the second half of 1981, the study found the discount giant held a 7% market share for all cookware while other discounters earned a 24% share.

The breakdown by cookware categories showed discounters slipped slightly in top-of-range cookware from 27% market share in 1980 to 26% in 1981. But the chains still maintained a healthy lead over other outlets in the category including department stores which had a steady 21% market share performance.

Bakeware and portable electrics categories picked up much of the disappointment in top-of-range performance for discounters, however.

In bakeware, the chains' market share rose from 29% in 1980 to 32%. Discounters also jumped a percentage point higher than the previous year in portable electrics to earn a 36% market share.

Bakeware was the best performance gainer in all cookware unit purchases, Du Pont found. Bakeware unit sales climbed to 45% from 36% in 1980.

Meanwhile, top-of-range unit sales were static at 35% and portable electrics sales dropped from 29% to 20% in the total marketplace, the study said.

Downturn Reported

Department stores, however, slipped two percentage points in the growing bakeware market. Their share went from 15% in 1980 to 13% last year.

But department stores did pick up in their share of the portable electrics market, gaining two percentage points for 15% share. Top-of-range cookware remained steady at a 21% share.

Mass merchandise chains—Sears, Penney, Ward—were up a healthy two percentage points in total market share from 8% in 1980 to 10% last year, which equaled their performance in 1979.

The mass merchandisers picked up business in top-of-range, moving from a 10% share of the market to 12%, and in bakeware, which was up three percentage points for a 9% market share. Portable electrics remained steady at a 9% market share.

Food stores, although highly touted for the past several years as a force for discounters to be wary of in cookware sales, had a market share which remained static.

In top-of-range and portable electrics, food stores' market share was unchanged at 8% and 2%, respectively. In bakeware, food stores' sales dipped a percentage point from 16% to 15%.

Upswing Noted

While sales were on the down side in drug stores, where total cookware market share dropped from 6% to 5%, catalog showrooms showed some optimistic increases.

Catalogers' performance improved as their share of market increased from 2% to 3% in bakeware. Portable electronics also increased from 16% to 17%. In top-of-range, catalogers were consistent with a 6% market share.

Gauging direct mail and gourmet/specialty shops for the first time, Du Pont found the two combined for a 7% market share in top-of-range and 5% in bakeware for the second half of 1981.

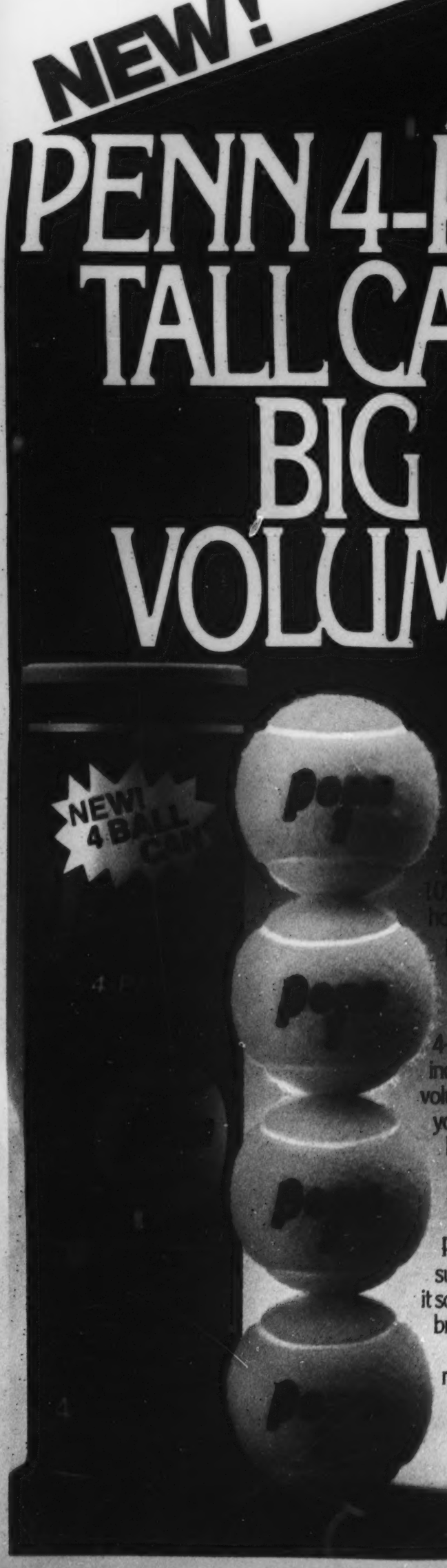
The study also noted an increase in open stock vs. set purchases of metal top-of-range cookware in 1981. Open stock unit purchases were up to 71% from 69% a year earlier, as sets purchases fell from 31% to 29%.

Although Du Pont continues to work on a follow-up for its SilverStone cookware, the study cited the company's belief in continued growth in the market for the product.

Reflecting optimism for continued bakeware sales, Du Pont showed its bakeware market potential is 58 million households. Currently only 9% of the 73 million possible households own SilverStone bakeware.

NEW!

PENN 4-PAK. TALL CAN, BIG VOLUME.



That player runs nearly 10% more tennis play per hour of court time, compared to three-ball cans. And with less time required to retrieve balls.

For retailers, the 4-Pak is an opportunity to increase your tennis ball volume without expanding your shelf space. And best of all, the 4-Pak is priced to allow more profit per can.

Get in on the new Penn® 4-Pak. Consumers will be asking for it soon. And only one major brand has it.

Contact your Penn representative for details.

It's A Natural...

...For You

Coordinated bathroom accessories for the chain store discount market. Hand woven Chinese merchandise fashioned by Old World craftsmen; easily adaptable to all the demands of modern life styles.

Attractively priced. And, best of all, available for immediate delivery from both Philadelphia and San Jose.

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HOUSEWARES

PRODUCT MOVEMENT AUDIT

New Items Are Needed In Electrics

By HOWARD BOBROFF
President,
Myron Nickman Distributors

Traffic electrics volume increased among many discount operations during the first four months of 1982 in spite of the economy and the lack of new products to pull in business.

What kept sales ahead was the realization that strong price promotions in basics was what it would take to do the job. Sticking to basics replaced last year's frequent strategy, and struggle, to generate sales with fringe items and higher-ticket products with "whistles and bells."

The biggest obstacle to any future surge in traffic electrics growth isn't the economy but the absence of new products.

It's been a long dry spell—roughly two years—since the introduction of anything new in electrics to ring up plus sales like the advent of slow cookers, drip coffeemakers, food processors or the hot-air popcorn poppers.

No Effect

Even if the economy were to take a sharp turn for the better, there aren't any electrics categories or items which can be singled out as the beneficiaries of a release in pent-up consumer demand.

This leaves discounters maneuvering toward a tough second half regardless of an economic turnaround.

One of the maneuvers planned is the resurrection of "your choice" promotional ads. This old-reliable strategy is often pulled out of the drawer during periods when new products are scarce, and it appears appropriate for fall and holiday 1982.

The "your choice" ads will include a half-dozen or so basic items, hitting a price point low enough to virtually guarantee a healthy sales return as some trade-off for the slices in gross margin.

Manufacturers, seeing the same picture ahead, are similarly planning to push their basic categories—toasters, can openers, mixers and coffeemakers, among them—in the form of bigger promotional allowances.

Some manufacturers, like General Electric, have beefed up their rebate offerings; some, like Sunbeam, have cut back. For the second half, West Bend is, for the first time, joining the lineup of manufacturers offering rebates.

All together, the level of re-

(Continued on page 38)

STYLER DRYERS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	3051 Shetland Visa 1200	4,239	8.06	34,166.34
2	HD100 Georgie Pro Pistol 1400 watt	1,232	11.25	13,860.00
3	083 Conair pro dryer 1200 watt	1,007	11.93	12,013.51
4	4006 Shetland Tortoise Pro 1500 watt	926	12.21	11,306.46
5	HD61 Dazey Hard Hat hair dryer	278	39.61	11,011.58
6	099 Conair Pistol Power 2 sp 1200 watt	858	11.89	10,201.62
7	1800 Northern Pro 1400w/5 attachments	561	16.28	9,133.08
8	9100 Gillette Promax 1500	355	18.38	6,524.90
9	881 Northern Pro blower/dryer 1200	618	10.46	6,464.28
10	3080 Shetland hatchet hair dryer	342	13.55	4,634.10
11	50-74 Sunbeam Bonnt hair dryer	160	27.88	4,460.80
12	1892 Northern styler dryer 1000 watts	313	13.90	4,350.70

CURLING BRUSHES & WANDS

1	6001 Shetland curling brush	5,356	5.73	30,689.88
2	CB200 Conair New Twist combo	1,608	12.13	19,505.04
3	BC-10 Conair curling brush	2,150	8.01	17,221.50
4	CD11 Conair Curls N Curls iron	2,547	5.08	12,938.76
5	SM1 Windmere Skinni Mini	1,897	5.24	9,940.28
6	2620 Gillette Clicker	488	20.20	9,857.60
7	2337-2 Northern Pro styling brush	1,196	6.44	7,702.24
8	VS101 Sassoon prof curling iron	882	8.30	7,320.60
9	2334-2 Northern Pro chrome cnri iron	1,183	5.23	6,187.09
10	Windmere Spit nonstick curling iron	1,174	5.16	6,057.84
11	C200 Clairol Crazy Curl	441	12.19	5,375.79

DRIP COFFEEMAKERS

1	5185 Norelco 10-cup	2,230	24.61	54,880.30
2	A301N Proctor 10-cup	2,412	21.84	52,678.08
3	784 Hamilton Beach mini	1,628	15.83	25,771.24
4	791 Hamilton Beach 12-cup	1,038	21.59	22,410.42
5	CM1 North American 10-cup	609	33.16	20,194.44
6	HB5192B Norelco 12-cup w/clock timer	383	51.53	19,735.99

SLOW COOKERS

1	335DH Rival Crock Pot 5-qt	978	29.89	29,232.42
2	3355H Rival 5-qt Crock Pot, Harvest	963	22.54	21,706.02
3	3150 Rival Crock Pot 3½-qt	906	23.55	21,336.30
4	K7427WH Regal Hot Pot	1,485	10.56	15,681.60
5	3100 Rival Crock Pot 3-qt, almond	908	15.59	14,155.72
6	2306 Struhl alum Hot Pot, asst	2,541	4.84	12,298.44

HAND MIXERS

1	97 Hamilton Beach, almond	1,912	13.36	25,544.32
2	3-76/3-71 Sunbeam al/wh	585	26.00	15,210.00
3	HM12-8 Waring 12-speed, almond	904	16.45	14,870.80
4	HM111-8 Waring 5-speed, almond	650	12.45	8,092.50
5	3-16 Sunbeam	548	14.19	7,776.12

(Continued on page 38)

Champion's new Mini-Mover makes your small engine sales run better.

What you see below is our brand-new self-serve merchandiser for small-engine Champions: The Mini-Mover. It's compact enough to put wherever it will be noticed most by impulse buyers (who account for one out of three spark plug sales). It's just 1-foot wide on your shelf, pegboard or counter. And it comes with a variety of easy-to-read plug-selector headers for motorcycle . . . marine . . . or lawn and garden applications.

The Mini-Mover also gets the product out in front of potential buyers, serves as a highly visible reminder that not only do you carry small engine types, but they should be replaced periodically.

And now, with our new line of motorcycle plugs offering you 90% coverage of this important market with only six plug types, the Mini-Mover can help deliver even greater profit potential.

Incidentally, if you haven't been selling Champions for small engines, you may be surprised to know that they account for about 20% of all plug sales!

So be sure to ask your Champion supplier about our new merchandiser soon. You might consider ordering several —they perform beautifully back-to-back or side-by-side. Let us know what you think of it, too. We have a hunch you'll agree that—when it comes to moving plugs—we might have done better to call it the "Magnificent Mover."

CHAMPION PUTTING PERFORMANCE BACK IN YOUR BUSINESS

Champion Spark Plug Company • Toledo, OH 43661

For latest motorsports race results, watch "MOTORWEEK" on WTBS, cable TV's "Superstation," every Saturday between 5:35 and 6:05 p.m. EST.

HOUSEWARES

Hangers, like apparel, can be displayed either full-faced or side-faced. At its Hingham, Mass., store Bradlees chose the former route. *(DSN photo)*

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 37)			
	BLENDERS			
1	651 Hamilton Beach Blender/Plus 14-spd, almnd	824	29.75	24,514.00
2	BL590 Waring 7-speed	795	22.38	17,792.10
3	600 Hamilton Beach 7-speed, almond	581	23.19	13,473.39
4	890-16/867-16 Oster 10-speed, almond	420	28.16	11,827.20
5	640G Hamilton Beach 14-speed	226	34.18	7,724.68
6	L-14 Waring 14-speed, almond	196	24.50	4,802.00
	TOASTERS & OVENS			
1	T522B Proctor toaster 4-slice	1,896	21.33	40,441.18
2	D126 Toastmaster 4-slice	1,089	22.78	24,807.42
3	B701 Toastmaster prom 2-slice	1,706	14.40	24,566.40
4	T220AL Proctor 2-slice	1,687	14.36	24,225.32
5	T620B Proctor 2-slice	1,621	12.79	20,732.59
6	5244 Toastmaster deluxe clean oven	377	54.89	20,693.53
7	D700 Toastmaster blk end toaster	1,276	11.80	15,056.80
8	380 Toastmaster oven/toaster self clean	145	51.76	7,505.20
9	D137 Toastmaster dual 4-slice	207	32.58	6,744.06
10	T2000 Proctor toaster/auto size adjust	250	26.35	6,587.50
	FRYPANS			
1	CF53 Betty-G 5½-qt cooker fryer	2,550	18.66	47,583.00
2	FDF1 Presto Fry Daddy fryer 4-cup	755	28.54	21,547.70
3	72119 West Bend Rockcote	516	25.61	13,214.76
4	2121 Hamilton Beach Fry All	601	20.40	12,260.40
5	06810 Presto jumbo skillet w/SilverStone	188	44.83	8,428.04
6	72109 West Bend skillet SilverStone 11"	137	30.29	4,149.73
7	9800 Rival cooker/fryer	120	24.24	2,908.80

(Continued on page 40)

PIA/IMA® PRODUCT MOVEMENT AUDIT

New Items

(Continued from page 37)

bate offerings is about the same; they will remain an important segment of manufacturers' and discounters' promotional plans.

Given the dramatic sku paring that's been going on for the past year, it would appear that discounters would be hard-pressed to find a category that still warrants trimming. They have, however, slated the personal care area as the next one to be cut back.

Several chains will be cutting down assortments in fringe items like skin machines, nail-care appliances and makeup mirrors.

Hair care appliances, the major part of personal care, won't be immune to the cuts. Many discounters will be condensing assortments in styler/dryers and curling wands/brushes. The heaviest part of the dryer assortment will remain in pros and turbos, but the chains are likely to conclude that one model in a fold-up and one in a hatchet model is sufficient. Operations with 14 dryer models may initially cut back to 10 sku's; those with 12, down to eight.

Norelco, which hasn't been a leader in personal care, is making a strong bid for greater recognition and market share in that area with its new line, Chic.

The line is evidently designed to associate itself more closely with the "beauty business" aspect of electrics since the Norelco name is strong in the kitchen appliance segment.

Sticking with the feminine connotation of the name Chic, ladies' razors will bear this brand; men's razors will remain part of the Norelco brand line-up.

(Continued on page 40)

Makers' Appliance Shipments Slump

CHICAGO—Factory shipments of major appliances dropped 18.6% in April compared to a year ago. This, according to the Association of Home Appliance Manufacturers, brought the year-to-date decline to 16.7% compared to the first four months of 1981.

Microwave oven shipments, which were going ahead until late in 1981, also continued to decline. April's drop was 13.4%. The category is down by 10.3% for the year to date.

No major appliance category went ahead for April. The biggest drop was in disposal units, down by 43.7%; dehumidifiers followed with a decline of 42.5%.

AHAM president Robert Holding added that since finished goods inventories are appropriate "for the current business climate," improvement in the economy would quickly mean a higher level of business for the appliance industry.

Here's a picture of all the unsold Weber inventory in America:

In 1983, order earlier, order deeper, and picture your profit opportunities.

See us at the Housewares Show, Booth 4369-72 and at the Hardware Show, Booth M-109.

©1982, Weber-Stephen Products Co., Arlington Heights, IL 60004

HOUSEWARES

Wood-cutting boards and utensils from Martens Mfg. were stocked at K mart's Cathedral City, Calif., store. Cutting boards opened at $4.43; counter/sink cutting boards were $7.43. Utensils were 47¢ each. *(DSN photo)*

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 38)			
	CAN OPENERS			
1	740 Rival w kn sharp wh/almond	1,841	16.24	29,897.84
2	275 Hamilton Beach knife hole in handle	1,561	17.56	27,411.16
3	761 Rival, almond	1,696	12.38	20,996.48
4	5-91 Sunbeam	604	24.21	14,622.84
5	752R Rival can opener/sharpener, av	1,132	11.30	12,791.60
6	781W Rival, white	1,010	10.18	10,281.80
7	782 Rival can opener/sharpener, almond	706	14.14	9,982.84
	IRONS			
1	11-19 Sunbeam iron/steam & dry prom	1,673	15.53	25,981.69
2	11-386/11-171 Sunbeam Shot of Steam	860	25.84	22,222.40
3	11300 Proctor light steam/dry	725	16.26	11,788.50
4	754S Hamilton Beach steam/dry SilverStone	459	23.10	10,602.90
5	11-233/11-213 Sunbeam Shot of Steam	205	34.96	7,166.80
6	2319 Struhl travel iron	379	6.44	2,440.76
	FOOD PREPARATION			
1	702/707 Hamilton Beach food processor, almond	750	46.66	34,995.00
2	I-96/I-76 Sunbeam stand mixer, almond	116	93.04	10,792.64
3	HS15-8/3/9 Waring stand mixer 12-speed	391	26.39	10,318.49
4	43G Hamilton Beach stand mixer w/dough hook	210	47.54	9,983.40
5	2-116/2-106 Sunbeam stand mixer	98	40.74	3,992.52
6	14-11 Sunbeam food processor	31	10.42	3,230.20
7	HS9-8/HS9-1 Waring stand mixer	105	23.95	2,514.75

These electric housewares figures for Jan. 1 through April 24, 1982, were supplied by Myron Nickman Distributors, a division of Cook United, Maple Heights, Ohio, and cover 900 stores, including 125 discount stores in the Midwest. Average retail prices reflect typical price points for discount chains.

PRODUCT MOVEMENT AUDIT

New Items

(Continued from page 38)

The Product Movement Audit for the first four months of 1982 showed the Chic hair collection will be coming up against the increasingly strong position of Conair.

Conair placed four models among the top 15 in styler/dryers. In curling wands Conair took rankings No. 2, 3 and 4.

The top item in both categories was an opening price-point model from Shetland.

With a strong replacement market for drip coffeemakers, customers coming back a second and third time appear to be trading up to models featuring clock/timers. The previous PMA, covering sales for calendar 1981, showed only one coffeemaker among the top sellers with this feature. That was the North American 12-cup with timer.

This first PMA for 1982 showed two models with timers, one from Norelco and one from North American, among the best sellers in the category.

More Winners

Unchanged from the PMA covering calendar 1981 were the two top sellers in drip coffeemakers. Still leading the pack in unit and dollar sales were Norelco and Proctor Silex, each with its basic 10-cup models, hitting opening price points, offering rebates and being extensively promoted.

The under-$20 (with rebate) volume action in drip coffeemakers, plus sales in models with timers, is squeezing out business in middle-of-the-road

Popcorn poppers, the leading items in the specialty electrics PMA last year, continued to move well in 1982. There has been some success with the recently introduced caramel popcorn items. Presto's caramel popcorn maker appeared on the audit for the first time; the same manufacturer's Popcorn Now machine took the No. 1 spot in specialty electrics.

Basic hot-air popcorn makers will be coming down in price during the second half, giving their sales velocity a boost.

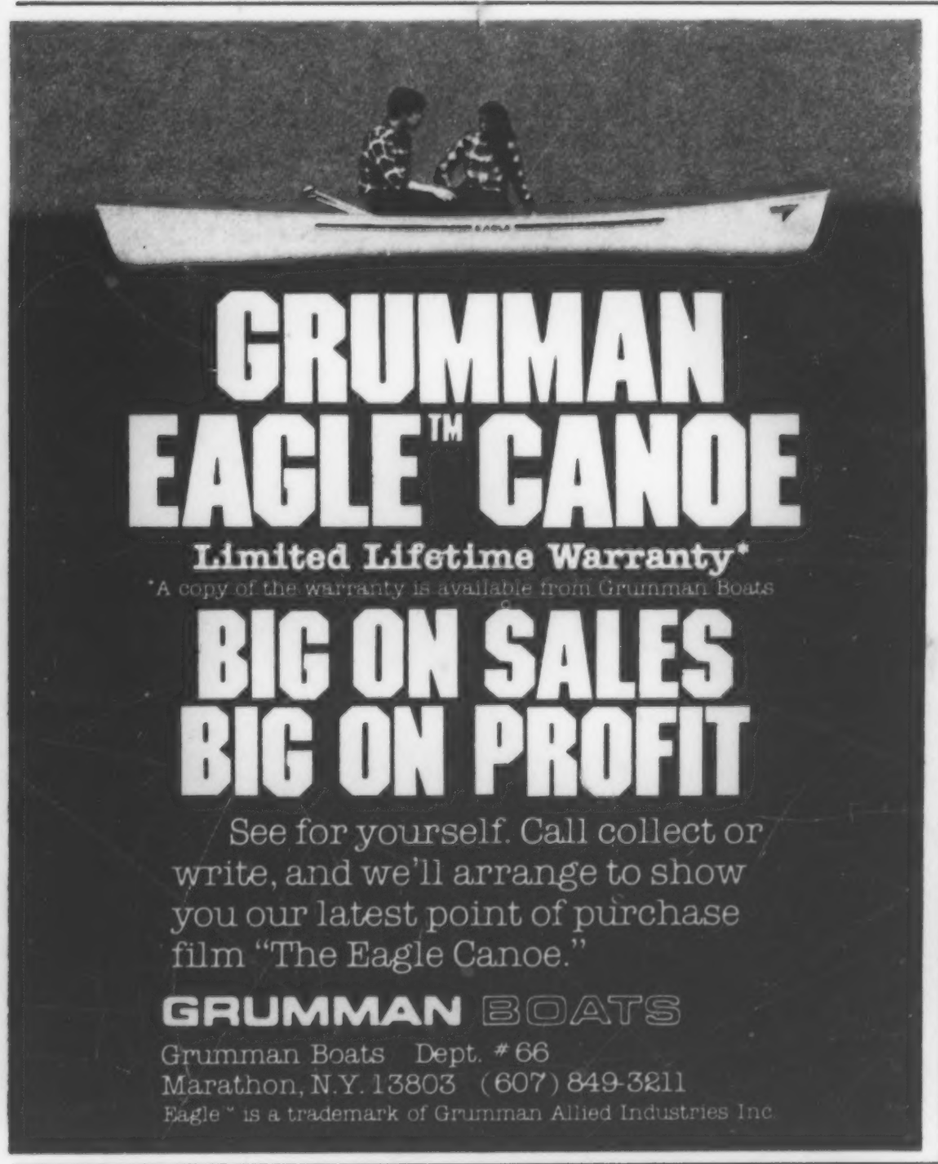
The Hamilton Beach food processor was the leading item in the food preparation category.

Heck's Finalizes Singleton's Buy

CHARLESTON, W. Va.—Heck's has finalized its acquisition of Singleton's Stores, a chain of nine discount stores located in Virginia, North Carolina and Tennessee. The final price was $4 million.

The company will convert six of the stores into Heck's units and close the other three. Fred Haddad, chairman of Heck's, said the six new stores will add at least $18 million to the chain's annual sales.

The addition of the six Singleton's units gives Heck's a total of 119 stores.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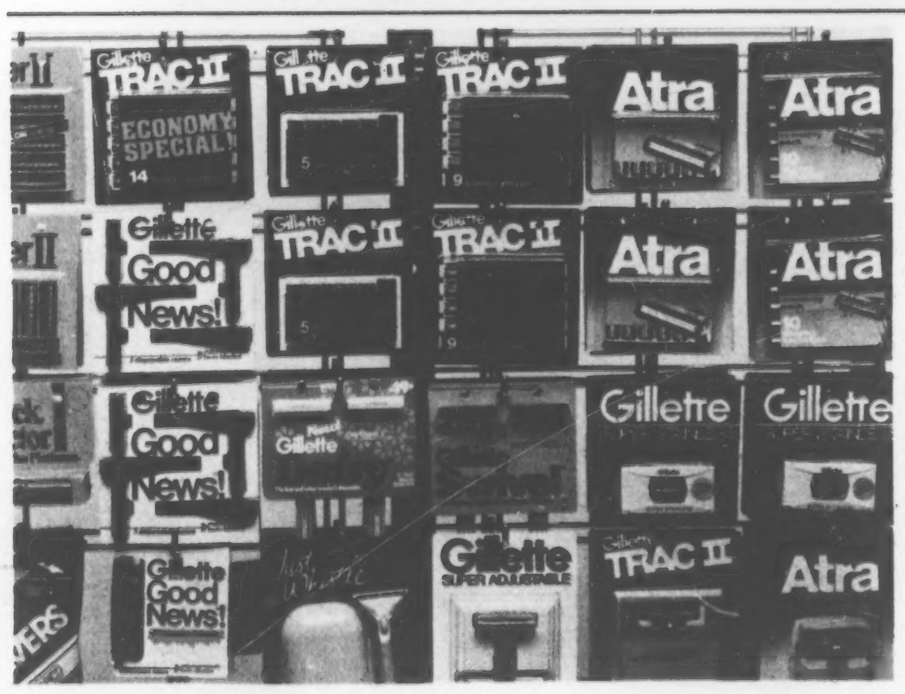

If you want to rack up more profits, keep your blade board fully stocked with Gillette products.

After all, Atra,® Trac II,® Good News!® and Gillette Super Stainless are all #1 in the categories that make up 90% of the market.

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HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	TABLETOP			
1	16-4-N Corelle 16-pc set, Butterfly gold	5,929	25.45	150,893.05
2	16-1-N Corelle 16-pc set, Spring bl green	4,799	25.49	122,326.51
3	16-6-N Corelle 16-pc set, Woodland	4,032	25.40	102,412.80
4	16-NN Corelle 16-pc set, Winter Frost white	3,124	25.61	80,005.64
5	3216-32 Corelle 16-pc set, Cinnamon	904	33.42	30,211.60
6	3216-34 Corelle 16-pc set, Slate	874	32.73	28,606.02
7	3216-33 Corelle 16-pc set, Almond	861	32.66	28,120.26
8	16-5-N Corelle 16-pc set, Old Twn blue	1,054	24.71	26,044.34
9	115 Pyrex Hurricandle	3,397	6.24	21,197.28
10	3216-31 Corelle 16-pc set, Citrus	540	35.69	19,272.60
11	2020-16 Corelle 20-pc set, Strawberry	163	50.20	8,182.60
12	4020-8 Corelle Traditions, 20-pc, Spice	166	39.13	6,495.58
13	2020-12 Corelle 20-pc set, Indian Summer	114	50.06	5,706.84
14	2020-7 Corelle 22-pc set, Wildflower	103	50.07	5,157.21
15	2020-13 Corelle 20-pc set, Meadow	92	50.60	4,655.20
	GLASSWARE			
1	PM07 Houze Pac-Man mug	12,972	2.81	36,451.32
2	4512C Anchor Hocking bvrge 4-pk, Wexford	2,262	5.46	12,350.52
3	97012 Libbey milk bottle	428	16.06	6,873.68
4	8469 Libbey 4-pk wine, Citation	966	4.76	4,598.16
5	8456 Libbey 4-pk goblet 10-oz, Citation	936	4.76	4,455.36
6	8466 Libbey 4-pk wine, 6½-oz, Citation	887	4.76	4,222.12
7	N3600/795 Anchor Hocking Westwood set, gold	382	9.45	3,609.90
8	4523 Anchor Hocking butter & cover, Wexford	2,556	1.32	3,373.92
9	3600/794 Anchor Hocking Westwood set crystal	346	9.48	3,280.08
10	84N Anchor Hocking apothecary	2,316	1.40	3,242.40
11	70029 Libbey Coventry canister	720	4.41	3,175.20
12	3563 Libbey 8-pk vin wine 8-oz	342	8.95	3,060.90
13	5068/7562 Anchor Hocking Piggy Bank asst	1,656	1.83	3,030.48
14	70028 Libbey Coventry canister 2-qt	870	3.47	3,018.90
15	3951 Anchor Hocking Brandy snft 12-oz	3,096	0.97	3,003.12

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	COOKWARE			
1	56027 Wear-Ever Preferred 7-pc set	320	34.99	11,196.80
2	0707/B22 Columbia canner 7 jar 22-qt	922	11.54	10,639.88
3	46-14 Wear-Ever square griddle	819	10.98	8,992.62
4	46030 Wear-Ever 10" saute pan	855	10.07	8,609.85
5	46028 Wear-Ever 8" saute pan	978	8.68	8,489.04
6	0709/B36 Columbia canner 33-qt	423	19.40	8,206.20
7	64330/M433 Ekco cke pn oblong Bkr's Scrt	2,675	2.81	7,516.75
8	64110/M411 Ekco cookie sheet Baker's Secret	1,965	3.22	6,327.30
9	285-79 Chilton griddle 11" polished	827	7.53	6,227.31
10	2251-50 Chilton double boiler 22-gal pl handle	973	6.40	6,227.20
11	64100/M410 Ekco cki sht Baker's Secret	2,108	2.91	6,134.28
12	64200/M120 Ekco muffin pn 12-cup Bkr's Scrt	1,715	3.49	5,985.35
13	1530/1422 Columbia covered s pot 11½-qt c/a	550	10.37	5,703.50
14	280-79 Chilton sautee pan 10" polish	879	5.95	5,230.05
15	950-20 chilton sauce pot, 12-qt alum handle	616	8.26	5,088.16
	CORNING			
1	A-300-8-S Kitchen Starter set	546	29.85	16,298.10
2	A300-7-S Kitchen Starter set	521	30.18	15,723.78
3	A-300-S Kitchen Starter set	549	26.56	14,581.44
4	A-390 Family set 9-pc Cornflower	478	22.37	10,692.86
5	P-1420-S Counter saver, Spice	486	20.93	10,171.98
6	F-330 Collection set French White	306	29.04	8,886.24
7	P104-8 Teapot, Spice	514	15.65	8,044.10
8	P-1420 Counter saver, White	399	19.70	7,860.30
9	P1420-7 Counter saver, Wildflower	306	21.66	6,627.96
10	P100 Menuette set, Cornflower	315	18.58	5,852.70
11	P100-8 Menuette set, Spice	242	23.88	5,778.96
12	A-130-S Meal Maker set, Cornflower	290	19.05	5,524.50
13	P-1014-8 Counter saver, Spice	396	13.89	5,500.44
14	F-21 Large roaster, French White	279	19.24	5,367.96
15	A-5 Covered saucepan	228	21.85	4,981.86

(Continued on page 46)

PMA®

PRODUCT MOVEMENT AUDIT

Big Promos Of Staples Key to Biz

By HOWARD BOBROFF
President,
Myron Nickman Distributors

"Inventory control" and "heavy promotions" will remain the buzz phrases in housewares for the balance of the year.

With an economic rebound still a question, manufacturers have reacted by being cautious in offering new merchandise.

Faced with a lack of new merchandise in most categories, plus many value-conscious consumers, discounters are being forced to create their own marketing opportunities without leaning so heavily on deep price cuts that they give away the business. Still, the volume-building strategy planned by most chains is: strong promotions of staple merchandise.

Most buyers will be combing the Chicago Housewares Show with this approach in mind. Having worked with the majority of their manufacturers prior to the show, they will be looking for show specials and opportunity buys. At the same time, they will review lines to be sure they have selected the top-selling items to insure maximum inventory turn.

(Continued on page 46)

9 of 10 Times Insider Gets Exec Position

NEW YORK—Retail firms rarely hire executives from outside, according to a just-released survey.

The survey was conducted to analyze hiring practices in the country's larger retail firms. It contained answers from 53 retail ceo's and was developed by recruiters Thorndike Deland Associates.

The survey found a majority of the responding companies fill fewer than 10% of their management positions with applicants from outside the company. When companies hire externally, though, about 90% offer a 10%-30% increase over base salary, the study found.

The study also found most of the companies give relocation benefits and interim living arrangements. It was found that 22% will buy the house for a new executive, while about half offer some form of financial subsidy for relocation expenses.

The study revealed that 79% of the respondents have a fixed bonus plan for new executives, while 18% have a discretionary plan. Cars are provided by 38% of the companies.

Most companies are concerned about human resources. Half singled that out as the most important management area, other than merchandising, for their firms in the 1980's.

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HOUSEWARES

PRODUCT MOVEMENT AUDIT

Big Promos

(Continued from page 44)

Another objective in Chicago, particularly considering the dearth of new goods for fall, will be an attempt to spot incoming trends that could prove salable in volume for spring 1983.

With strong promotions being a top priority, discounters can be expected to hone in on a variety of areas.

In the glassware category, stemware and combination sets will make frequent appearances on promotional tables and endcaps, while the 4-packs remain the workhorse of the everyday price business.

In dinnerware, Corning has announced its production has met demand for the first time. This, according to Corning, permits it to offer large dinnerware sets—35, 43, and 45 pieces—and at a promotional price.

These sets will offer consumers a good value, and discounters an opportunity for a higher gross margin than is typically earned with Corning dinnerware promotions of 16-pc. sets.

The caveat is that with their higher price tags—in the area of $49.99—the large sets may not be an easy sell. Discounters will have to spell out the savings to consumers in some detail by comparing the set price to the price of open-stock Corning dinnerware and serving pieces.

Recognizing the gross margin opportunity of the large sets, discounters can be expected to move slowly toward the large sets and away from the 16-pc. sets, provided consumer response is favorable.

Still Developing

Promotional activity will continue in a "meat and potatoes" segment of cookware, saute pans with SilverStone interiors. But, discounters will be looking for new styling to create excitement for promotions.

One example of a new approach to the sautes is Chilton's (Foley) fall offering of 10-in. sautes with SilverStone in such high colors as burgandy, indigo blue and yellow. They are available with covers or packaged with a spatula. The group should perform well on in-and-out price promotions.

The Product Movement Audit for Jan. 1-April 24 offered no surprises in the tabletop category where Corelle 16-pc. sets were the mainstay of the business.

Gold was the top selling color in Corelle. For fall, Corning's new introduction, Morning Blue, looks like a strong entry for future PMA listings of best-selling items.

In glassware, the color blue, consistently a strong seller, picked up momentum and can be expected to remain strong throughout the third quarter. The importance of this color is born out by Corning's introduction of a new blue pattern in dinnerware.

The glassware audit showed the Houze Pac-Man mug as the

(Continued on page 46A)

Still strong and expected to pick up speed as the holiday season approaches is the nostalgia trend. Tin canisters at Murphy's Mart, Glen Burnie, Md., pick up the mood.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 44)			
	PYREX			
1	233-s Utility dish 3-qt	3,540	3.54	12,531.60
2	3520-s Juice jug 2-liter	3,636	2.70	9,817.20
3	3515-s Juice jug 1½-liter	4,254	2.25	9,571.50
4	440-80 4-pc mix bowl, Shendh	548	13.89	7,611.72
5	440-49 Bowl set Autumn Harvest 4-pc	557	13.66	7,608.62
6	684 Casserole 2-qt	2,100	3.53	7,413.00
7	222-s Cake dish square	2,592	2.67	6,920.64
8	233F Utility dish 3-qt	1,122	5.85	6,563.70
9	480-80 Casserole set 3-pc, Shendh	432	15.11	6,527.52
10	532-S Measuring cup, 1-qt	3,090	2.03	6,272.70
11	480-49 Casserole Autumn Harvest, 3-pc	400	14.74	5,896.00
12	300-61S Mix bowl set 3-pc, Forest	703	7.63	5,363.89
13	6230F Covered casserole/basket	663	7.85	5,204.55
14	232 Utility dish 2-qt	1,128	4.52	5,098.56
15	480-61 Casserole set 3-pc, Forest	334	15.06	5,030.04
	MICROWAVE			
1	MW-A-10 Corning covered browning skillet	1,962	16.94	33,236.28
2	MW-11-S Corning Little Sizzler, white	2,097	12.57	26,359.29
3	MW2 Corning browning grill	851	22.54	19,181.54
4	PM469/T1 Anchor Hocking bacon rack	3,383	5.03	17,016.49
5	MW-83-W-S Corning covered menuette browner	1,667	9.04	15,069.68
6	MW360 Corning set	258	39.06	10,077.48
7	PM481/T1 Anchor Hocking Versatility pan 1-qt	1,934	5.03	9,728.02
8	MW-12 Corning pizza crisper	407	22.32	9,084.24
9	PM444/T1 Anchor Hocking baking sheet	1,811	5.00	9,055.00
10	PM447/T1 Anchor Hocking muffin pan	1,626	5.03	8,178.78
11	MR1 Corning glass ceramic rack	954	8.51	8,118.54
12	MW-210 Corning set	183	38.65	7,072.95
13	PM479/T1 Anchor Hocking roast rack	1,380	5.03	6,941.40
14	497 Republic corn popper	850	7.43	6,315.50
15	PA600/103 Anchor turntable	157	30.35	4,764.95

(Continued on page 46A)

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HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 46)			
	RUBBERMAID			
1	2894 Roughneck refuse container, choc	936	18.76	17,559.36
2	2882 Refuse container, avoc	1,194	10.50	12,537.00
3	2937 Twin turntable, sand	1,665	3.60	5,994.00
4	6032 Dish drainer choc	852	5.29	4,507.08
5	2864 Waste basket self-close, choc	666	6.76	4,502.16
6	2936 turntable, al/sand	2,167	2.04	4,420.68
7	2850 Waste basket lift lid, choc	618	6.86	4,239.48
8	1610 Calico shelf liner green	993	4.24	4,210.32
9	7085 Set bath appliq gold	1,672	2.46	4,113.12
10	6032 Dish drainer, almond	780	5.24	4,087.20
11	2965 Laundry basket, choc	863	4.69	4,047.47
12	1904 Spatula	6,000	0.66	3,960.00
13	7085 Set bath appliq, choc	1,559	2.48	3,866.32
14	2965 Laundry basket, gold	786	4.70	3,694.20
15	2965 Laundry basket, almond	774	4.73	3,661.02
	PLASTICS			
1	L-45 Lustro decanter 1-gal, asst	3,492	2.07	7,228.44
2	7200 Fesco trash can 20-gal, avoc	942	7.35	6,923.70
3	5207 Fesco trash can 32-gal, avoc	534	12.66	6,760.44
4	BS-21 Lustro bowl set/cover 4-pc, yel	1,176	3.58	4,210.08
5	C-111C Lustro Wastetainer 12-gal	481	8.40	4,040.40
6	P-80 Lustro heavy duty pail 11-qt	2,038	1.89	3,851.82
7	3813/8100 Fesco 10-qt pail, choc/avoc	2,663	1.36	3,621.68
8	6251 Eagle food saver oblong 110-oz	1,691	2.09	3,534.19
9	B-90 Lustro oval laundry basket asst	996	3.49	3,476.04
10	3813/8100 Fesco 10-qt pail, orange/gold	2,482	1.37	3,400.34
11	3428 Eagle cake saver 10"	758	4.34	3,289.72
12	K125M5 Texas mixing bowl 5-qt	1,318	2.30	3,031.40
13	5986 Eagle jar food saver 72-oz	1,956	1.50	2,934.00
14	1080 Fesco octag. basket 1½-bu, yel	897	3.19	2,861.43
15	5861 Fesco no-hands can choc/almond	432	6.57	2,838.24

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	GADGETS			
1	824 Foley strainer 5" wood handle	62,633	1.30	81,422.90
2	29046/WC Rhodes daisy bell timer	2,004	5.95	11,923.80
3	407-21 Swing-A-Way can opener, chrome	2,867	3.29	9,432.43
4	107-21 Swing-A-Way can opener jr asst	3,058	1.64	5,015.12
5	157 Foley can tapper	4,692	1.04	4,879.68
6	662 Foley can opener	4,328	1.05	4,544.40
7	291 Foley sm turner/black nylon	2,796	1.55	4,333.80
8	292 Foley bast spoon/black nylon	2,724	1.56	4,249.44
9	290 Foley large turner/black nylon	2,724	1.56	4,249.44
10	274 Foley jumbo turner/black nylon	2,700	1.56	4,212.00
11	120 Foley pizza cutter	4,008	1.05	4,208.40
12	1103 Spring Palisades in/out therm	782	5.25	4,105.50
13	253-68 Foley nylon spatula asst	7,121	0.55	3,916.55
14	254-68 Foley nylon spoon asst	7,044	0.55	3,874.20
15	247 Foley fold n pour dust pan	3,540	1.06	3,752.40
	BATH SHOP			
1	443 Selfix portable shower asst	1,205	6.92	8,338.60
2	86N-95 Counselor promo scale, brown	983	7.70	7,569.10
3	997N-11 Counselor caravan oval scale, almond	460	13.20	6,072.00
4	997N-95 Counselor caravan oval scale, brown	439	13.20	5,794.80
5	276N-10 Counselor handle scale, white	445	11.34	5,046.30
6	410N-90 Counselor wick scale, brown	376	12.60	4,737.60
7	86N-10 Counselor promo scale, white	549	7.70	4,227.30
8	200N-90 Counselor wick el scale, brown	102	41.30	4,212.60
9	410N-10 Counselor wick el scale, natural	300	12.60	3,780.00
10	1107 Grayline king-size shower caddy white	888	4.00	3,552.00
11	6878/7700 Tamor tub hanger, choc	20,328	0.15	3,049.20
12	2110 Selfix twin hook	3,204	0.95	3,043.80

These housewares figures for Jan. 1 through April 24, 1982, were supplied by Myron Nickman Distributors, a division of Cook United, Maple Heights, Ohio, and cover 900 stores, including 125 discount stores in the Midwest. Average retail prices reflect typical price points for discount chains.

PMA® PRODUCT MOVEMENT AUDIT

Big Promos

(Continued from page 46)

top item. This was due to many consumer electronics departments' use of the mug as an incentive for laying away the Pac-Man cartridge before it hit the stores. The mug was offered at a low price in exchange for the lay-away, and the tie-in was successful for CE and mug business.

With that promotion over, this particular Pac-Man mug will move up to too high a price for volume selling. The Pac-Man mug item that could be the next big mover is the Thermo-Serv animated mug—Pac-Man moves—to sell for about $2.99.

Microwave cookware has become a strong, solidly entrenched business among discounters in the Midwest. The category will continue to grow, although its growth couldn't be described as explosive.

Customer reaction to microwave cookware has been strong with respect to Anchor Hocking's price promotions at about the $4.99 price. The bacon rack, muffin pan and roast rack have been outstanding in these promotions.

Strong Impact

A microwave item appearing on the movement audit for the first time was Republic's corn popper. This strong item placed No. 14 on the PMA listing.

As in previous Product Movement Audits, Lustro-Ware and Fesco dominated the plastics category with their volume in various sizes in trash cans. Some changes in this picture could be forthcoming in future PMA reports. Lustro-Ware's recent problems, leading to the company's filing Chapter XI, means there may be a replacement in this category.

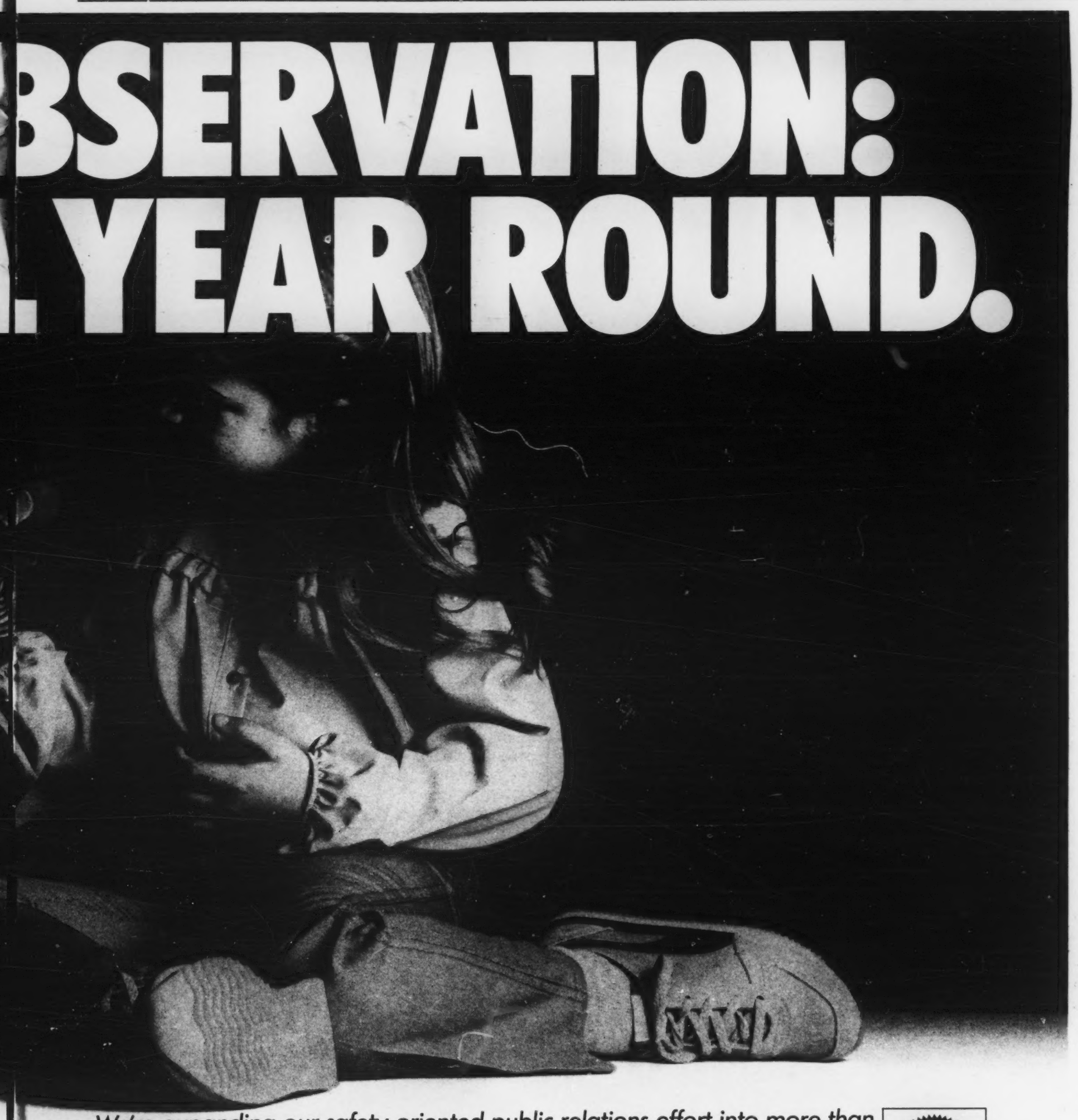
Another change will be coming from a program being added by Nickman. Blow-molded plastic trash cans, which are stronger and more resistant to cracking, will be added to the lineup. The cans will be about 20% higher-priced than the traditional injection molded group, but they will come with an extened warranty. The blow molding process adds about 50% more longevity to the can.

The new group, which won't replace the lower-priced merchandise, will be offered, in part, to make the discounters competitive with Sears which has an exceptionally strong following for its warranted cans.

Mars' Loss Soars Despite Biz Gain

NEW BEDFORD, Mass.—Mars Stores posted an 8.5% sales increase, to $5,046,999, for the first quarter of 1982 over the first quarter last year. The company also had a net loss over 300% greater than last year, to $148,556 from $42,996.

Paul Kwasnick, president of Mars, said he was confident of a strong recovery during the remainder of the year.



We're expanding our safety-oriented public relations effort into more than twenty-one top U.S. markets. We're also supporting our whole advertising effort with merchandising materials based on the "happiness" theme.

All of which could mean happiness for you, too. Because by supporting our year-round program, you'll have success for all seasons.

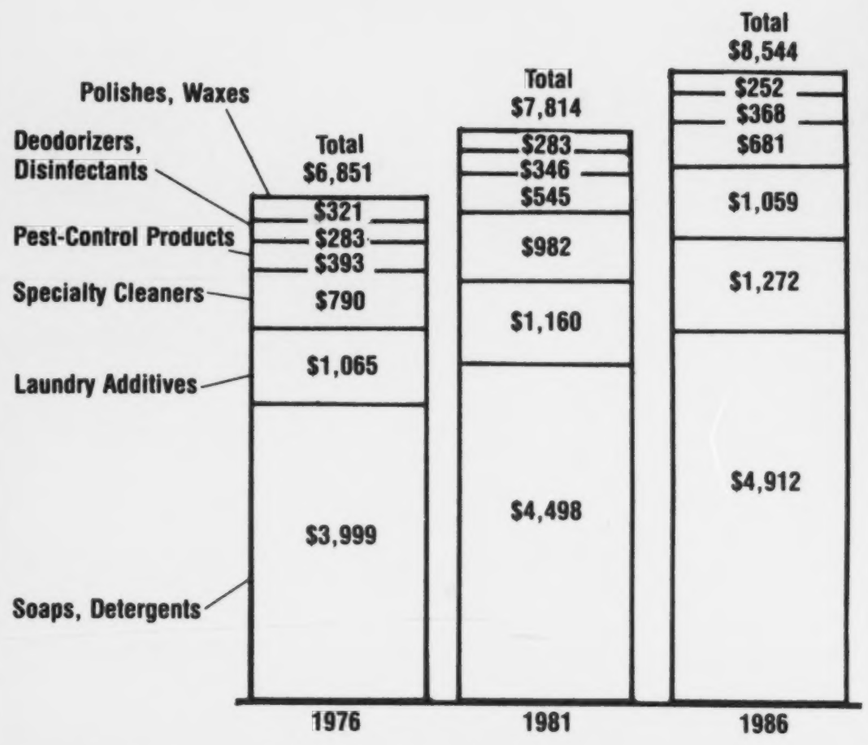
MATTEL®

SUCCESS FOR ALL SEASONS.

HOUSEWARES

U.S. Manufacturer Sales of Household Cleansing Products

(in millions of dollars)



Source: Charles H. Kline & Co. Household Cleansing Products industry analysis.

1976 data is adjusted to 1981 dollars using GNP implicit price deflator

Zodys Brightens the Picture Picture

Zodys' new strategy in its picture-and-mirror category has been declared a success. "Volume is up and so are profits."

Most of the changes took place in the picture segment of the business. This had been a highly price-promotional, frequently advertised area with merchandise stocked from several resources.

Last August Zodys switched to a virtually opposite tack. Price promotions and advertising—often for Zodys Art Fairs—were dropped in favor of maintaining competitive day-in, day-out prices.

Now, the picture program is purchased from one resource, and the section is planogrammed by size and frame type. Merchandise is reordered, by size and frame type, from a distributor every other week; the scenes are changed with every reorder, keeping the picture presentation changing.

Some Gain Is Seen For Cleansers

FAIRFIELD, N.J.—New product introductions and advertising programs should help the ailing household cleaning products market.

The category, which is slated to pick up a little life after a disastrous 1980-81 period, however, still won't match its performance of the late 70's, according to a new industry report.

Charles H. Kline Co., in its analysis of the industry, sees household cleansers reaching $8.5 billion in sales by 1986, growing 1.8% annually. From 1976 through 1981, the category's sales were up 2.7% to $7.8 billion from $6.9 billion.

The Kline report blames the weak economy, general consumer retrenchment and low-level product introductions for the flattened sales of 1980 and 1981. The report emphasizes that the excellent growth years of 1976 to 1979 were largely attributable to a rash of highly successful new products, the likes of which have been missing for the past few years.

The household cleansing market includes soaps, detergents, laundry products, specialty cleansers, pest-control products, deodorizers, disinfectants and polishes and waxes.

Pest-control products and mildew removers, with a 6.8% annual growth rate, had the greatest success of category products in 1976-81, according to the report. Those products are pegged for continued strong sales, estimated at a 4.6% annual growth through 1986.

Polish and wax products, meanwhile, suffered the greatest losses, declining 2.5% annually in sales.

Soaps, detergents and laundry products, which accounted for 72% of sales in 1981, grew at a rate of 2.2% annually from 1976.

Some lackluster categories, like air fresheners, may see a resurgence during the coming five years, the Kline report says.

HOUSEWARES

Drips Mop Up as Percs Lag, Coffeemaker Study Finds

NEW YORK—By 1981 nearly half of the regular (as opposed to instant) coffee consumed at home was prepared with an electric drip coffeemaker, according to the United States branch of the International Coffee Organization. The phenomenal increase in that product's market share—from 7% in 1975 to 49% in 1981—makes it the most popular in the United States.

The second most popular coffeemaker, the electric percolator, no longer even comes close to the drip coffeemaker since the former has only a 27% market share. By contrast, in 1975 the usage of the drip coffeemaker and the electric percolator was just about the reverse, with the electric percolator having a 51% share.

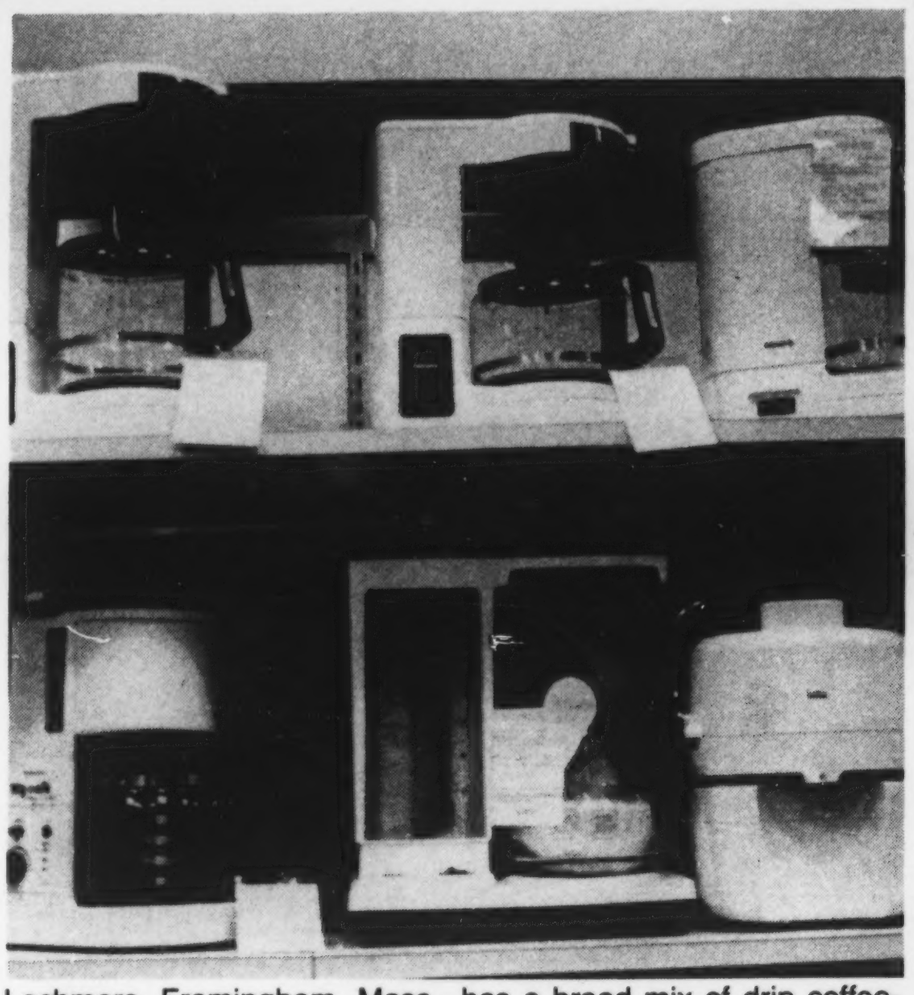
The study also shows usage of the electric drip machines continuing to grow, by 2% in 1980-81, at the expense of the electric and stove top percolators. Electric models declined in usage by 1%. Stove-top, or regular percolators, showed no gain or loss in the 1980-81 period, but usage declined by 12%.

The International Coffee Organization survey results were based on telephone interviews with 7,500 consumers selected to reflect the total geographic and demographic population of the country. The 1981 survey was the 31st in a series conducted every year since the early 1950's.

Consumer Coffeemaker Usage, 1975-81

	Percentage Using				Percentage-Point Change	
Product	1975	1979	1980	1981	1975-81	1980-81
Electric Drip	7	44	47	49	+42	+2
Electric Percolator	51	29	28	27	−24	−1
Regular Percolator	24	16	12	12	−12	0
Drip Pot	9	7	7	6	− 3	−1
Filter Cone	4	3	3	3	− 1	0
Steeping Pot	3	1	2	2	− 1	0
Vacuum Coffeemaker	2	1	—	1	− 1	+1

Source: International Coffee Organization United States Coffee Drinking Study, winter 1981.



Lechmere, Framingham, Mass., has a broad mix of drip coffeemakers including several higher-priced models with features such as: electronic timers, water windows, and built-in bean grinders. *(DSN photo)*

Easy does it.

Everything about Dow Corning® 100% Silicone Rubber Caulks and Sealants is easier. Including the way they sell.

An extended, 20-year warranty and an improved, easier-to-use formula head the list of features today's energy-conscious homeowner expects from Dow Corning 100% silicone rubber caulks and sealants marketed by DAP.

An extensive product line with unique, award-winning, full-color packaging makes it easier for your customers to identify and buy what they need without increasing your selling time.

A full schedule of consumer ads and new P.O.P. display units and materials will help you increase turns during peak selling seasons.

It's all part of a growing package of benefits Dow Corning 100% silicone rubber caulks and sealants offer you and your customers.

Easier to buy.

Nothing beats the ease of ordering all your caulks and sealants from a single source, your DAP sales representative. Make your product selections from a full line of both organic and silicone products. Your order is processed and shipped as a single order —saving you shipping costs; administrative time; paperwork and simplifying inventory control.

Easier to sell.

Throughout the year, DAP will be offering special trade and consumer promotions on Dow Corning's line of silicone caulks and sealants. Each consumer promotion is backed with in-store P.O.P. materials to call attention to the special offer. It all adds up to increased profit for you.

For more information on how to increase your caulks and sealants profits in 1982, contact your DAP representative or write Silicone Product Manager, DAP Inc., P.O. Box 277, Dayton, OH 45401.

We make it easier to do it better.

DAP®

DOW CORNING®

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Wall Clocks

(Continued from page 17)

Anderson said she is counting on manufacturers to offer low pricing on quality models.

Zayre's divisional merchandise manager Paul Sharp said this fall's changes in his chain's clock mix will also reflect the trend toward natural wood and clean contemporary designs. Prices will be held to under $25 on the kitchen models.

Although consumers have abandoned the ornate plastic mold designs, they haven't given up their preferences for low prices.

"The bulk of the wall clock movement is at retail prices under $24.99," Sharp explained. Decorator wall clocks featuring pictures and photographs as well as wood retail as high as $40 at Zayre.

Consumers Distributing, a New Jersey-based cataloger, will also trade up on wall clocks for fall. Buyer Alan Kolesar buyer said the average retail will go from the current $13 to $25.

Contents of the Mix

Consumers' fall catalog will offer kitchen clocks with solid wood frames, butcher blocks models, octagonal shapes and square frames in both wood and plastic. Of 35 sku's 25 will be kitchen models.

Heck's buyer Bill Eades will finalize his fall clock mix after this month's Housewares Show.

So far this year, Heck's wall clock sales have been off 50%, Eades reported. The chain has been offering a third off on carryover stock from last year. But, kitchen clocks sold only as in-and-out specials featuring plug-in models at $4.99, he continued.

Agreeing that higher quality models are growing in popularity, Eades said he expects prices on quartz wall clocks to fall by Christmas. Clocks now selling for close to $20 should be down to $15, said Eades.

At S. E. Nichols, where quartz models represent 90% of the wall clock movement, a spokesman agreed quartz prices are dropping. He does see consumers trading up to wood or wood tone clocks that can be classified as either decorator or kitchen clocks.

C5150-3 7/27/82

Update on Industry Advertising: P. 4
Paging Specialty Books: P. 14

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BETHESDA MD 20814

Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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First AIMs Hit Upscale Bull's-eye

By IRIS S. ROSENBERG

MACON, Ga.—T.G. & Y.'s name brand showplace, AIM for the best Stores, has captured the spotlight as the new darling of upscale discount retailing.

The Oklahoma City giant just unveiled its long-awaited 60,000-sq.-ft. prototype, three of which opened in this area and a fourth in Stillwater, Okla.

With seven more AIM for the best Stores ready to roll out this year, T.G. & Y. has made a radical departure from its 560-plus traditional Family Centers. The latter pull some $90 per square foot, while the prototypes are estimated to attract $150-per-square-foot sales. Figures like that would give T.G. & Y. the demanding yields needed to be profitable in the late 1980's and beyond.

The fledgling chain had been in the planning stages for several years; it debuted right on schedule.

"We first started planning these stores in 1976," recalled T.G. & Y. president Dan Kelly, "but given all of the ideas we had we thought we couldn't open these stores until 1985—which would have been too late. We stepped up our planning and I believe we've opened the stores at just the right time."

The AIM for the best Stores are a radical departure for the almost 60-year-old company

(Continued on page 25)

T.G. & Y. president Dan Kelly (inset), holding a sample of AIM for the best's new Bermuda Run line of men's wear at one of the new chain's Macon, Ga., openings. *(DSN photos)*

Digest

July 26, 1982

H&BA

• **First-aid item sales were bruised by unseasonably cool** weather this spring. However, discounters count on fair summer weather to heat up volume, and spur sales of higher-priced name-brand adhesive bandages. (p. 12)

HOUSEWARES

• **As a result of the proposed changing of the timing of the two** annual housewares shows, catalogers are studying possible shifts in their item-selection process. (p. 16)

HARDWARE

• **Gas grills are the hottest segment of the barbecue business,** even though they only account for 15% of sales. Unit volume keeps rising, although price points continue to climb. (p. 17)

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Allbright Taps 'Outsider' Smith As Woolco's President, Coo

NEW YORK—Bruce Allbright has begun bringing outside executives into Woolworth/Woolco.

Six months after joining the ailing New York discount and variety store chain as chairman, Allbright has named Harold Smith, 58, to the recently created post of president and chief operating officer for the Woolco stores division. Smith had been vp and general merchandise manager for Magic Mart, Little Rock, Ark.

Trade observers—and Woolco insiders—had mixed reactions to the appointment, which follows by several months Allbright's acceleration of the Woolworth/Woolco re-organization and separation into two distinct operating divisions that had begun in mid-1981.

This March, three months after joining the company from Target Stores where he had been president, Allbright named John Parker, 41, to the top spot of the Woolworth division. Parker, who had been with the company for 22 years, replaced Charles Kline, also a company veteran. Kline left the company.

Parker had been senior vp and general manager of the Woolco stores—a post he occupied since the spring of 1981 when the position was created as part of the first round of restructuring.

Kline had been Parker's Woolworth division counterpart.

Allbright then picked Jack McNutt, 56, to temporarily fill

(Continued on page 26)

Exclusive DSN Interview

FTC Chairman Miller: Some Price-fixing Is O.K.

By KEN RANKIN

WASHINGTON—A controversial new enforcement policy prohibiting Government antitrusters from filing resale price maintenance charges against all but a handful of the nation's largest manufacturers has won the support of Reagan Administration Federal Trade Commission Chairman James Miller III.

In an interview with *Discount Store News*, Miller lashed out at what he called "cheapskate" retailers who are able to "free ride" on the services provided by other merchants because manufacturers are prohibited from engaging in resale price maintenance (RPM) activities.

A "feasible" solution to this problem, Miller told *DSN*, would be to prohibit FTC antitrusters from prosecuting any supplier for RPM violations unless the manufacturer controls at least a 10% market share for his product lines.

That controversial new "market share" case selection formula was concocted by FTC staff economists and is based largely on the agency's current ground rules for determining whether to challenge corporate mergers as anticompetitive.

(Continued on page 26)

Miller Loses in Stover Case

WASHINGTON—Carter Administration holdovers at the Federal Trade Commission fired a warning shot at Reagan antitrusters on the resale price maintenance issue by voting to continue prosecuting Russell Stover for refusing to sell its line of boxed candy through discount stores.

With only Reagan FTC Chairman James Miller III dissenting, the agency's four-member board rejected the finding of one of its own judges who ruled last year the commission lacked authority to override the U.S. Supreme Court's "Colgate doctrine"—a Federal antitrust loophole that allows suppliers to refuse to deal with discounters.

More importantly, the Stover vote represents a clear warning to Miller and Justice Department Antitrust Chief William Baxter that FTC's majority will resist their efforts to weaken Federal prosecution of price maintenance violations by manufacturers.

K mart Set to Go All-out On Jonathan Logan Intro

By MARILYN NEERMAN

TROY, Mich.—K mart's new TV jingle opens with "Everybody knows Jonathan Logan."

Its finale is, "But did you know Jonathan Logan is now at K mart; that's right, K mart, the fashion savings place."

Television is just part of the $3 million-$4 million advertising effort—which also includes magazines, radio and newspapers—summoning customers to the 400 K mart stores where the Jonathan Logan sportswear debuts at the end of July.

In January 1982 K mart signed on as the exclusive retail outlet for the Logan label being licensed by Kayser-Roth and manufactured by its Colonial division.

K mart committed itself for the Logan merchandise for the back-to-school and holiday selling periods. Howard Stringer, president of Colonial, said the label would appear exclusively at K mart through these selling seasons, but he wouldn't comment on Kayser-Roth's plans for the label beyond that time.

K mart's commitments for fourth-quarter merchandise were worked out in June, before the chain could take a reading of customer response to the fall merchandise.

A K mart merchant indicated the chain's confidence in the salability of the merchandise and the pulling power of the label: "We saw the fall goods at an internal presentation and it looks right. We're very excited about this." Another sign of K mart's confidence is its willingness to spend a major chunk of advertising money for merchandise available in only 20% of its stores.

K mart intends the Logan program to be the "focal point of its back-to-school and career-wear fashions." The dyed-to-match coordinates are priced from $16 to $26. The group uses pinwale corduroy in three colors—gray, berry and green—as the base fabric. The corduroy items include a pleat-front trou-

(Continued on page 24)

Update on Advertising: An Industry Census (Part I)

With some $1.4 billion expected to be spent on advertising this year by discounters and the per cent of sales devoted to media edging up each year, the ad budget has come under intense scrutiny.

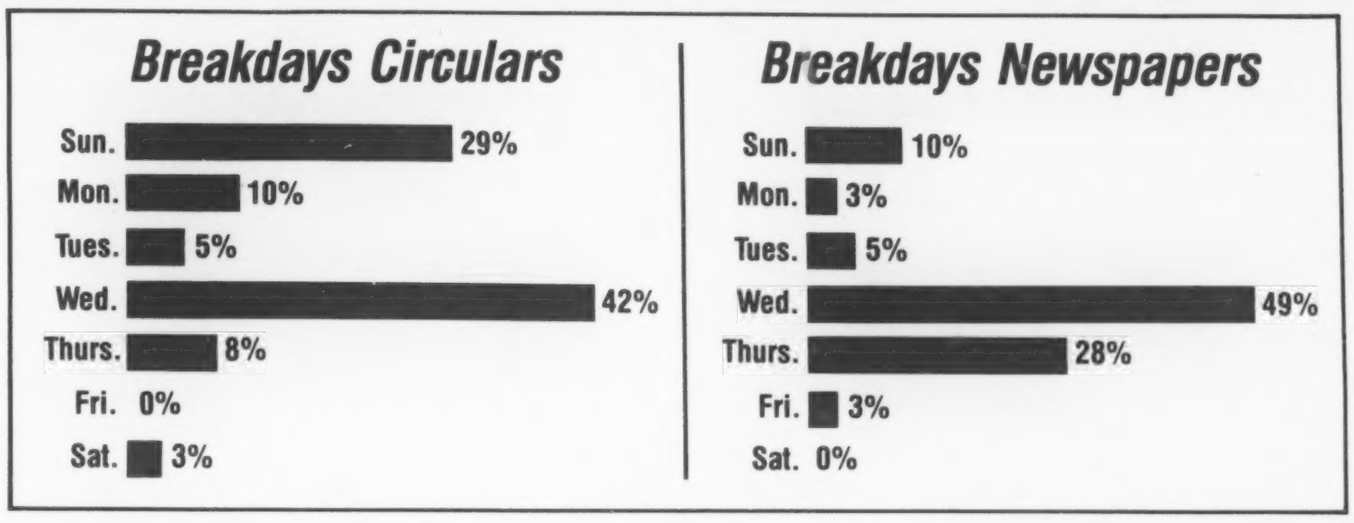
DSN *through its corporate research division, Lebhar-Friedman Research, conducted a survey among the top 100 discount chain operators in order to find out what trends are forming in this high-expense area.*

The findings of the study, entitled, "Update on Advertising: An Industry Census," are presented here in two parts.

Part I, here, focuses in on general findings and on print advertising.

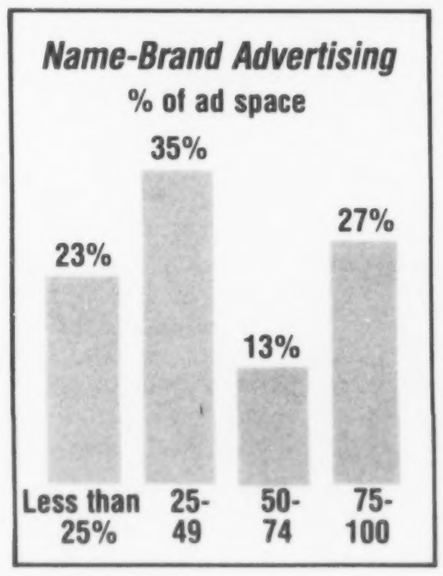
Part II, to be run in the next issue, will focus in on radio, television and on what K mart is doing with its media strategies.

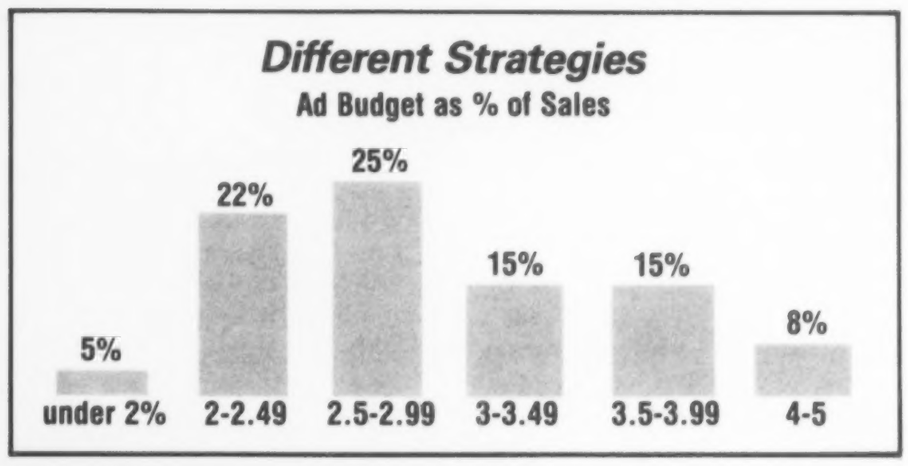
- **Total '82 Ad Expenditures by Discounters = *$1.4 billion***
- **Newspaper Ad Expenditures = *$1.125 billion***
- **Ad Budget = *3%* of Total Sales**

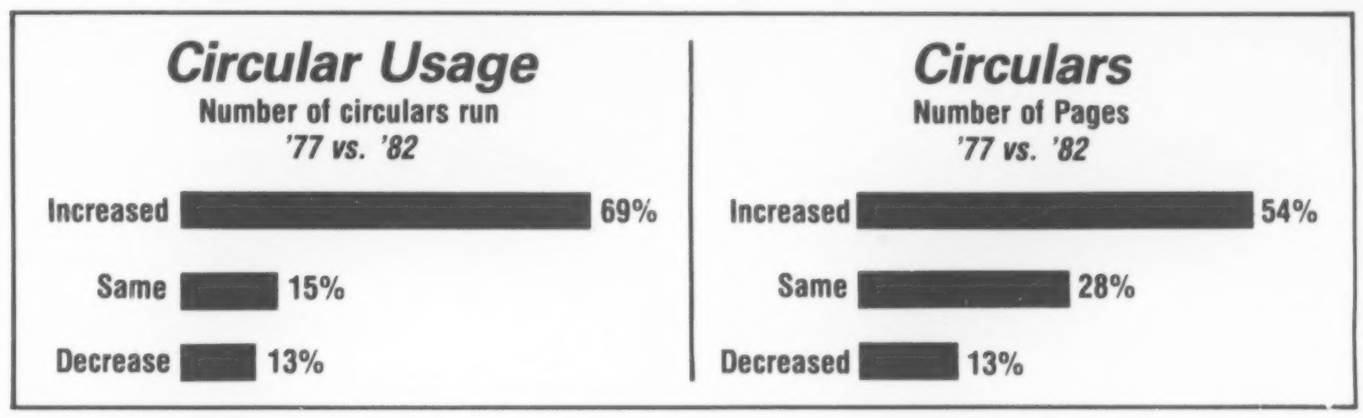


Coupon/Rebate Ads

60% of discounters devote under 5% of ad space; 25% devote over 10% of ad space.

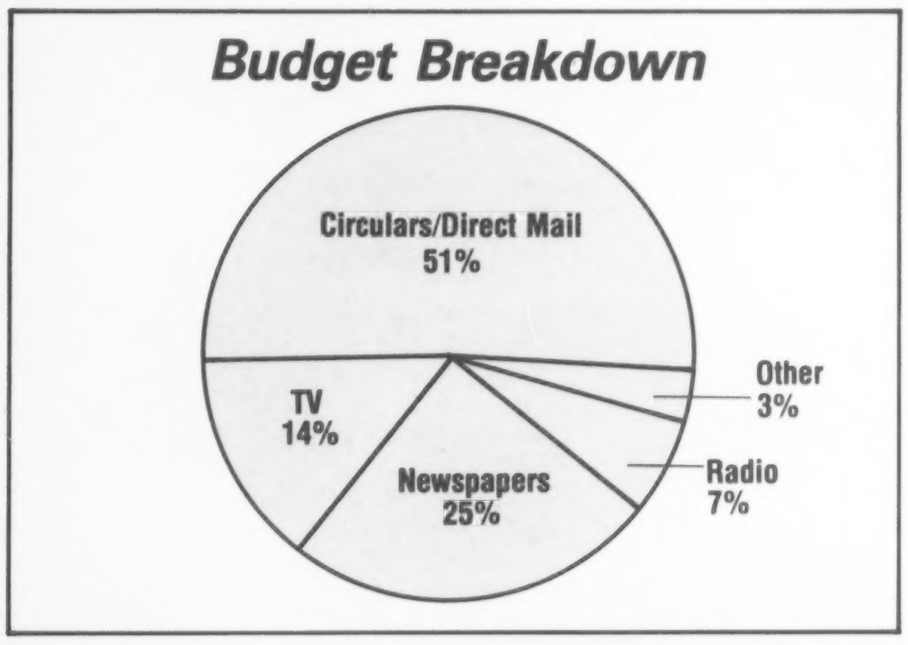


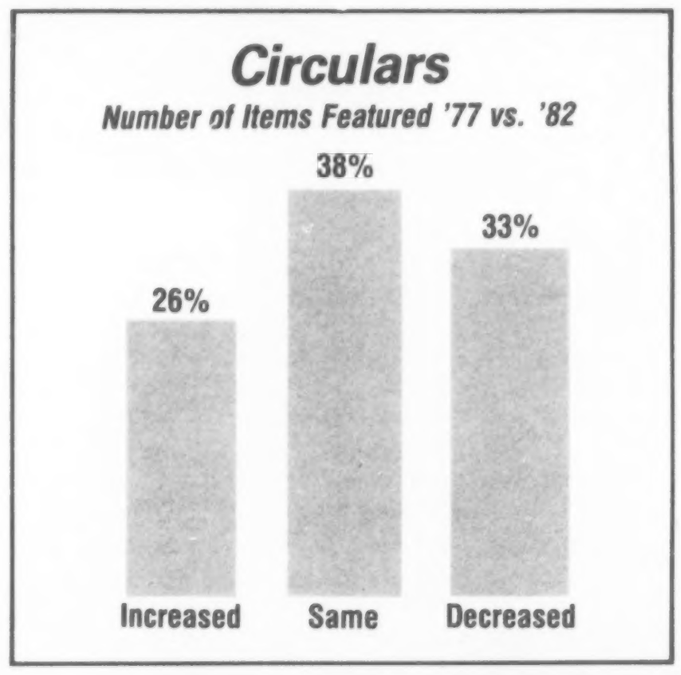


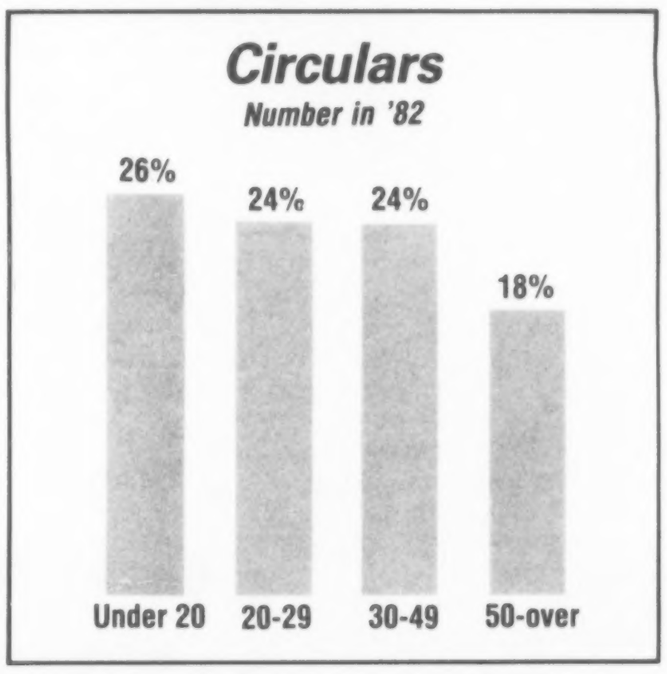


Media Used:

100% ..... Print
93% ..... Radio
75% ..... TV







Focus On: **PRINT ADS**

Circular Use

('77 vs. '82)

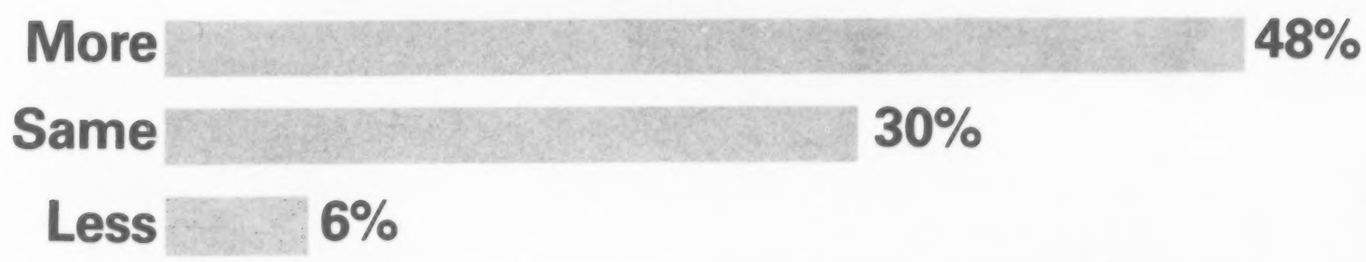
- **82% Increased**
- **13% Remained the Same**
- **5% Decreased**

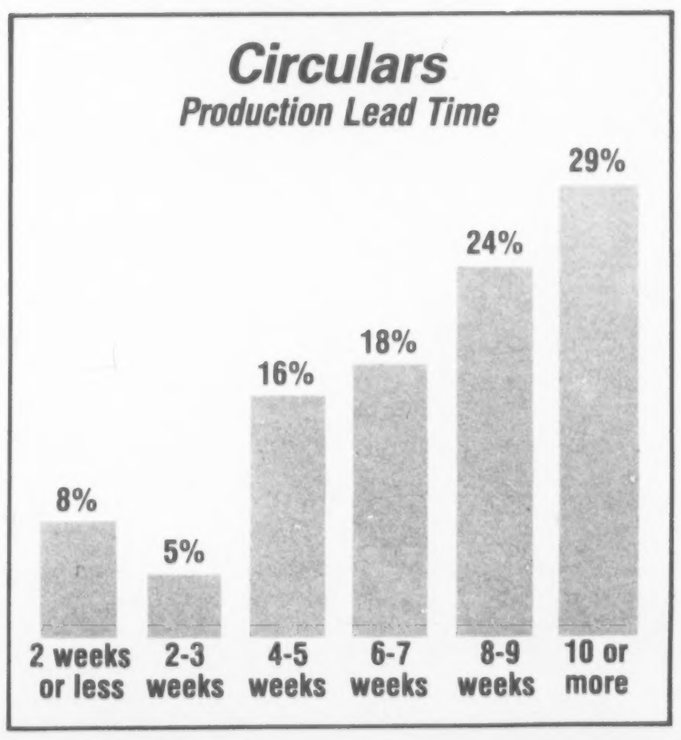
In '82, discounters on the average will devote:

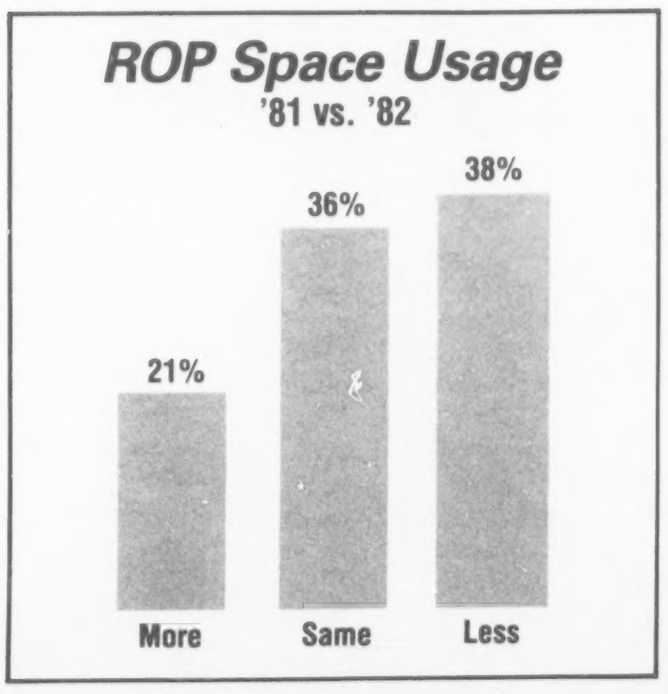
51% of their ad budget to circulars;
16% of ad budget to direct mail;
25% of ad budget to ROP newspaper ads.

Circular/Newspaper Usage

4-Color Photography '81 vs. '82







Coupon Books 1982

32% use—

(Continued on page 14)

FTC Studies 2 of 3 Mergers in 1980

(Continued from page 3)

as the discounters and the FTC would have to disclose that the merger was being investigated.

As the mergers in questions have already been completed, the full commission would have to give its approval for any further action that could eventually affect the discounters, such as undoing the mergers or limiting future acquisitions.

As for the three mergers in question, the Payless Northwest-Payless Drug marriage saw the former expand from its Pacific Northwest base into northern California by taking over the latter.

Payless Northwest's move came as two other discounters, Gold Circle and The Treasury, pulled out of northern California (the latter eventually closed all its stores), leaving K mart and Gemco as the other two discounters in that area. Zodys during the past year has started to expand into northern California.

Further Developments

Target's takeover of Ayr-Way saw the former enter the Indianapolis market for the first time by acquiring the local chain. Ayr-Way itself was spun off into a privately held chain under an FTC order when its parent L. S. Ayres was acquired by Associated Dry Goods.

The Background

Ayr-Way as a privately held company with stores throughout Indiana and in adjacent Kentucky and Illinois was marginally profitable. K mart, Woolco and Zayre continue as the other discounters in Indianapolis and other Indiana markets.

The King's-Barkers merger has been the least successful of the three as the resulting chain has had to close a large number of stores while continuing to have financial problems.

—ARTHUR MARKOWITZ

Mattingly

(Continued from page 2)

president, operations and Brent Schlosser, vice president, marketing.

Both executives worked with Dolginow when he headed up the Dolgin's showroom chain before it was acquired by Modern Merchandising. Dolginow served as president and chief operating office of that cataloger prior to working for Dayton Hudson.

Dolginow is also president of Dolginow's, a Kansas City, Mo.-based holding company which acquired controlling interest of Mattingly's outstanding common and preferred stock for an undisclosed amount of cash and promissory notes.

He said that a number of Mattingly's stockholders sold their shares because they wanted to retire.

Yale T. Dolginow

Matco's stores range between 18,000 sq. ft. and 35,000 sq. ft. and are located in rural markets in Missouri and Iowa.

Pay Less Biz, Net Rise in 1st Quarter

WILSONVILLE, Ore.—Pay Less had net sales of $180.4 million for its first fiscal quarter, ended April 30, up from $176.6 million last year.

The company also posted a gain in net earnings.

E. B. Hart, president and ceo, attributed his company's increased earnings in part to the discontinuation of major appliance departments.

Update on Advertising (Part I)

(Continued from page 4)

Direct Mail Use

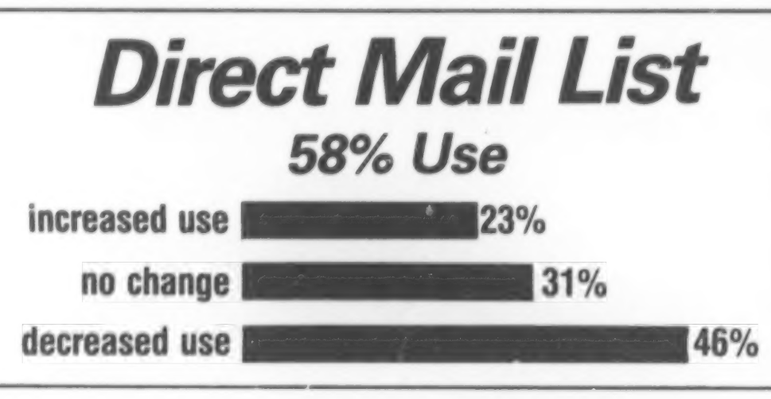
58% Increased

25% Remained the same

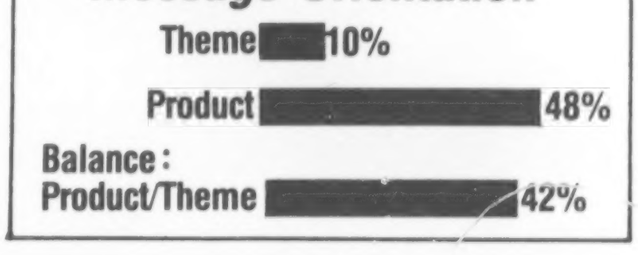
30% Decreased

Direct Mail List

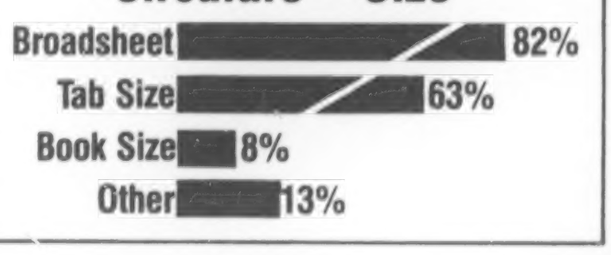
58% Use



Message Orientation



Circulars—Size

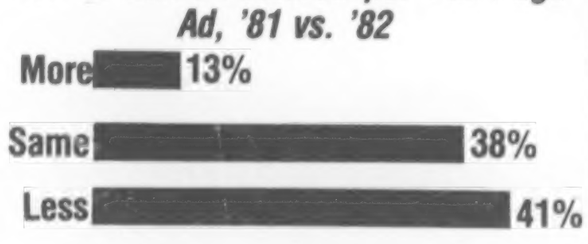


Circular/Newspaper Usage

Line Art '81 vs. '82

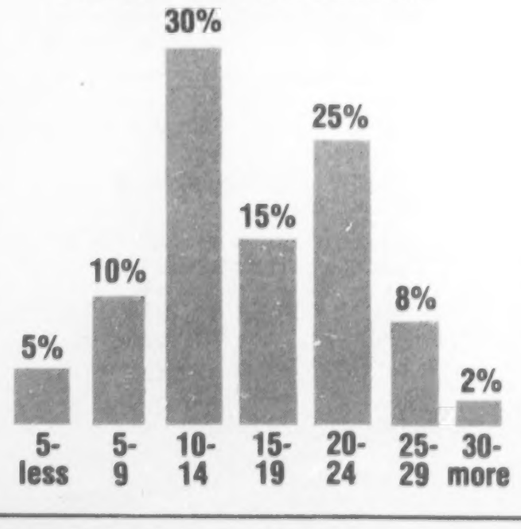
ROP Usage

No. of Items Featured per Full-Page Ad, '81 vs. '82



ROP Usage '82

No. of Products Featured



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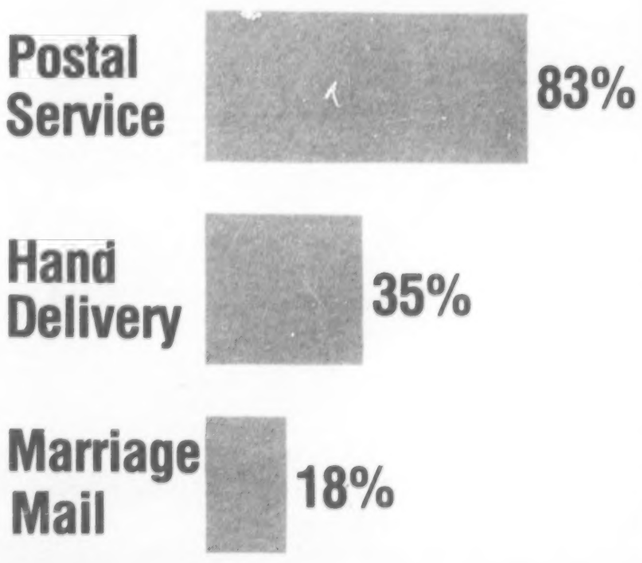
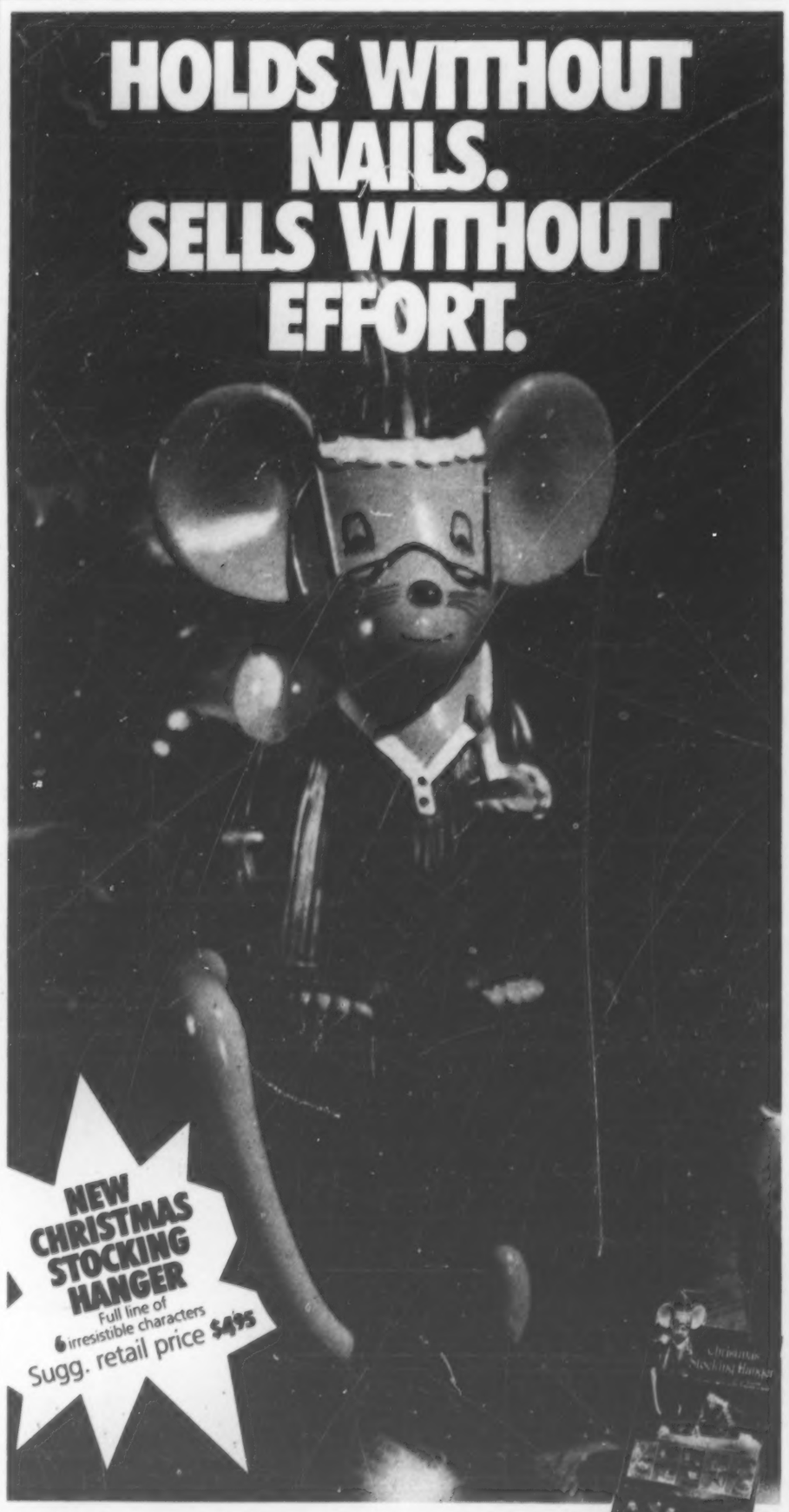


DORCY'S PRODUCTS AND PROGRAMS... FOR A BIGGER BITE OF THE PROFITS.

Dorcy's products and programs are geared exclusively to the chain business and designed solely for the purpose of providing high volume and high profits. Call your Dorcy representative, or call Ted Davis, President 800-848-9090. In Ohio, call collect (614) 861-5830.

DORCY

HOLDS WITHOUT NAILS. SELLS WITHOUT EFFORT.



Holding a fully stuffed Christmas stocking without leaving nail holes or adhesive residue is an attractive idea. But when it's done with one or more of six charming Christmas characters it becomes an irresistible idea.

Sun Hill's Christmas Stocking Hangers come as an elf, a mouse, a Santa, a snowman, a dog and a cat. They're made of sturdy impact resistant polymer and are designed to support over four pounds.

At a suggested $4.95 retail, packed in four color gift packages and beautifully displayed in their own unit, the one place they won't hang around long is in your store.

Call the hot line; collect
(203) 324-7550
Ask for John Delaney

Sun Hill

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AUTOMOTIVE

PRODUCT MOVEMENT AUDIT

Auto Parts, Accessories In Fast Lane

By HERB RECHTER
President,
Allied Accessories and Auto Parts Company

As new car sales remain depressed, the sales volume of auto parts and accessories continues to build. As a result, Allied's May sales were up almost 30% over the same 30-day period a year ago.

While late-spring Product Movement Audit figures showed no major surprises—as usual, waxes and polishes headed the list—there were some interesting results.

At the top of the month's list was 8-oz. Armor All, with 32,-

(Continued on page 22)

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Armor All Protector 8 oz	32,932	2.99	98,466.68
2	DuPont Rain Dance paste, 14 oz	11,641	6.99	81,370.59
3	Armor All Protector, 16 oz	11,752	6.29	73,920.08
4	Hydraulic floor jack, 2 ton	1,000	69.99	69,990.00
5	DuPont Rain Dance liquid, 16 oz	9,197	6.99	64,287.03
6	Freon M8-14, 14 oz	33,639	1.79	60,213.81
7	Snow White Lite 'n Easy, 1 gal	4,284	13.99	59,933.16
8	Turtle Minute Wax, 18 oz	9,725	5.99	58,252.75
9	DuPont Rally Poly liquid, 16 oz	6,992	7.49	52,370.08
10	Gumout Jet Spray, 13 oz	21,407	2.39	51,162.73
11	Super Hard Shell Paste Kit, 14 oz	11,967	3.99	47,748.33
12	DuPont Rally Poly Paste, 14 oz	6,316	7.49	47,306.84
13	STP Oil Treatment, 15 oz	21,493	2.19	47,069.67
14	Simoniz Super Poly, paste	5,737	7.99	45,838.63
15	Turtle Wax Color Back, 16 oz	8,797	4.99	43,897.03
16	Turtle Zip Liquid Car Wash, 18 oz	18,351	2.39	43,858.89
17	Simoniz Super Poly liquid	4,986	7.99	39,838.14
18	Snap Aero Undercoat, 16 oz	22,200	1.79	39,738.00
19	AC Oil Filter PF-25	8,926	3.99	35,614.74
20	Armor All Protector, 4 oz	18,988	1.69	32,089.72
21	Motorcraft Oil Filter FL1A	7,935	3.99	31,660.65
22	Pennzoil Deluxe Oil, 10W40 (50)	24,287	1.29	31,330.23
23	Pennzoil All-Purpose Oil 10W30 (50)	24,072	1.24	29,849.28
24	Westley Bleach White, 20 oz	14,976	1.99	29,802.24
25	Quaker State Super Blend Oil 10W30	23,256	1.24	28,837.44
26	Gunk Aerosol EB-1	14,327	1.99	28,510.73
27	A/C Recharge Kit-Freon	3,973	6.89	27,637.08
28	Turtle Wax liquid, 12 oz	8,935	2.99	26,715.65
29	Sealed Beam, large round	7,971	3.29	26,224.59
30	Fix A Flat tire inflator	18,709	1.39	26,005.51
31	Armor All Protector, 32 oz	2,890	8.99	25,981.10
32	Temp Sandable Primer, gray	13,054	1.99	25,977.46
33	Trailer Harness Kit	3,080	7.99	24,609.20
34	DuPont Rub Compound, 12 oz	10,689	2.19	23,408.91
35	Johnson Wax Kit, 12 oz	5,682	3.99	22,671.18
36	Lee Oil Filter LF-1	6,589	3.39	22,336.71
37	Warco Dot Brake Fluid, 1 qt	5,733	3.89	22,301.37
38	Westley Bleach White liquid, 32 oz	7,375	2.99	22,051.25
39	Rislone Oil Alloy, 32 oz	8,779	2.49	21,859.71
40	Snow White Lite-N-EZ Qt Kit	4,368	4.99	21,796.32
41	Armor All Cleaner, 16 oz	9,815	2.19	21,494.85
42	Quaker State Deluxe Oil 10W40	16,368	1.29	21,114.72
43	Temp Rubberized Undercoat	7,005	2.99	20,944.95
44	Temp Sandable Primer, red	10,508	1.99	20,910.92
45	Auto Bulbs—2 card	20,640	0.99	20,433.60
46	Warco Dot Brake Fluid, 12 oz	13,486	1.49	20,094.14
47	Simoniz Pre-Soft, 9 oz	5,722	3.49	19,969.78
48	Blue Poly Liquid Sealant, 8 oz	2,988	6.59	19,690.92
49	2-gal Gas Can, flex spout	4,205	4.49	18,880.45
50	Marvel Mystery Oil, 16 oz	8,436	2.19	18,474.84
51	Resin Glaze Auto Polish TR3, 16 oz	3,699	4.99	18,458.01
52	Bars Leak, 15 oz (80)	9,711	1.89	18,353.79
53	Gumout Carburetor Cleaner, 12 oz	11,530	1.59	18,332.70
54	Complete Lighter L-111C	3,568	4.99	17,804.32
55	5-gal Gas Can, flex spout	1,980	8.99	17,800.20
56	WD-40 Aerosol, 9 oz	8,124	2.19	17,791.56
57	Blue Poly Sealant Paste, 8 oz	2,664	6.59	17,555.76
58	Rain Dance Weather Guard, 16 oz	1,523	11.49	17,499.27
59	Roberk Wiper Blade Refill	7,981	2.19	17,478.39
60	STP Gas Treatment, 8 oz	14,199	1.19	16,896.81
61	Lee oil filter LF-25	4,423	3.69	16,320.87
62	DuPont Polish Comp, white, 12 oz	7,448	2.19	16,311.12
63	Prestone brake fluid	9,051	1.79	16,201.29

Target Names Managers For 3 New Stores

MINNEAPOLIS—Target has named the managers for its six stores scheduled to open this summer. Three of the stores are in the Little Rock, Ark., area.

The manager of the North Little Rock store is Tom Tyger, previously manager of Target's Fort Dodge, Iowa, store. Prior to joining Target in 1976 Tyger was with Woolco, Montgomery Ward, Cook United and J. M. Fields.

Mike Temme is the manager of the Geyer Springs area store, also in Little Rock. Previously he worked for Ayr-Way Stores and was an operations manager for Target.

Mike Tognetti is in charge of the Southwest Little Rock store. He came to Southwest Little Rock from Memphis, where he was operations manager for a Target.

Personnel Change

Keith Watson is managing the new Houston store. He had been an assistant manager at several other Targets and manager of one of the chain's Houston stores.

Steve Kiffe is commanding the Waterloo, Iowa, store. Like Watson, he worked first as an assistant manager before qualifying for his latest position.

The manager of the first Target store in Bloomington-Normal, Ill., is Mike Turner. Most recently store manager for Target in New Albany, Ind., Turner joined the company in 1979.

Each of the six new Targets will employ about 300 full- and part-time people.

The world's best-selling spark plug line now fits in only 6ft.

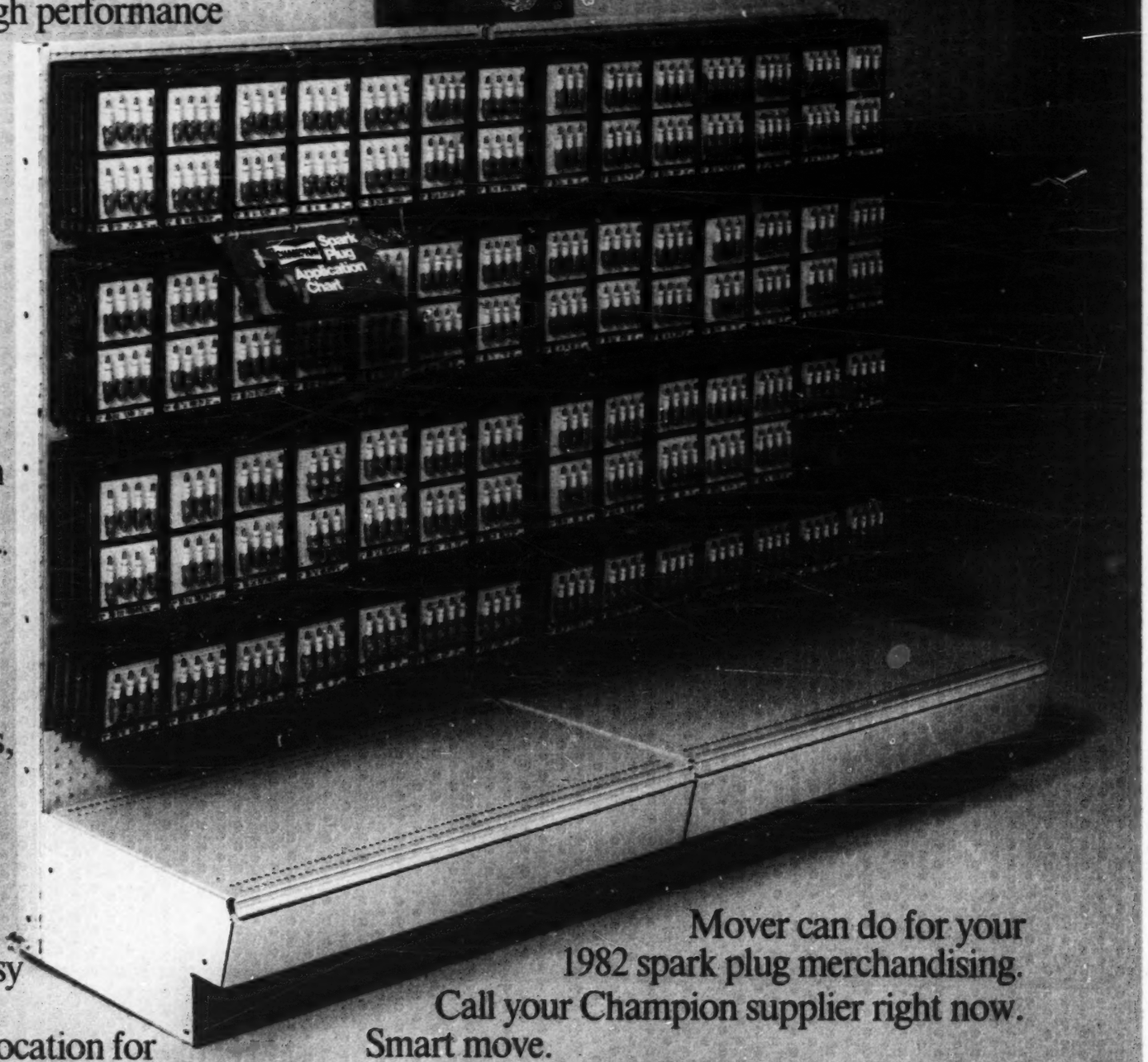
For 1982, we've come up with a leaner version of our popular self-serve profit center, the Mover System. And it's sure to make this already proven design an even more successful salesmaker for retailers everywhere.

If you have an eye for profit, take a close look at these high performance specifications:

- The new Mover design will offer 56 plug types in only 6 feet—which means more Champions and more profit for every square foot of display space.
- The standard 4-foot gondola holds 50% more Champion visual pack facings than the second best-selling plug.
- You'll get up to 97% coverage of your domestic car market; 86% of trucks, vans and 4-wheel drive units; and 90% of the profitable import market. And it will be all nicely blister-packed for easy customer selection.
- A new eye-height location for the application charts offers two benefits: makes plug selection more convenient... leaves valuable gondola space free for product display.
- On a square-foot basis, the new trimmer Mover design provides more efficient use of space for more product display, and as a result, more profitable market coverage.

Now consider this: marketers in many parts of the country have reported an overall average sales increase of 25% with the present system.

So think what this slimmer, trimmer, more efficient



Mover can do for your 1982 spark plug merchandising. Call your Champion supplier right now. Smart move.

CHAMPION PUTTING PERFORMANCE BACK IN YOUR BUSINESS

Champion Spark Plug Company • Toledo, OH 43661

For latest motorsports race results, watch "MOTORWEEK" on WTBS, cable TV's "Superstation," every Saturday between 5:35 and 6:05 p.m. EST.

AUTOMOTIVE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
64	Black Lo, 15 oz 4111-12CD-2	6,736	2.39	16,099.04
65	Temp Sandable Primer, black	8,038	1.99	15,995.62
66	Valvoline oil 10W40	13,044	1.19	15,522.36
67	Sealed Beam, large square	1,941	7.99	15,508.59
68	Valvoline Dextron ATF, 1 qt	12,792	1.19	15,222.36
69	PSI Air Compressor w/gauge 169-165	500	29.99	14,995.00
70	Yale Power Strg Fluid, 14 oz	9,321	1.59	14,820.39
71	DuPont Car Wash, 8 oz	5,891	2.49	14,668.59
72	Red Hi, 15 oz 4101-12CD-2	6,110	2.39	14,602.90
73	Espree wire wheel kit	2,896	4.99	14,451.04
74	Sealed Beam, low square	2,853	4.99	14,236.47
75	AC spark plug	10,144	1.39	14,100.16
76	Rally Cream Wax, 10 oz	3,528	3.99	14,076.72
77	Champion spark plugs 8/RBL 15Y4	1,244	11.99	14,044.76
78	Chamois, 2¼ sq ft	2,315	5.99	13,866.85
79	Lee Maxi oil filter	3,557	3.89	13,836.73
80	Champion spark plugs 8/RBL 17Y6	1,207	11.99	13,627.03
81	Bars Leak, 5½ oz. (175)	10,377	1.29	13,386.33
82	Pennzoil HD 30W (50)	11,184	1.19	13,308.96
83	Univ hand chek conv kit	2,485	5.29	13,145.65
84	Valvoline F-Type ATF, 1 qt	10,800	1.19	12,852.00
85	Quaker State HD 30W	10,745	1.19	12,786.55
86	Lee oil filter LF-16	3,734	3.39	12,658.26
87	Auto Transmission fluid, Type A, 1 qt	16,776	0.74	12,414.24
88	Super Hard Shell liquid, 18 oz	3,093	3.99	12,341.07
89	GM 8 cylinder distributor cap	2,208	5.49	12,121.92
90	4-pole Flat trailer connector	6,067	1.99	12,073.33
91	Castrol GTX oil 20W50, 1 qt	8,088	1.49	12,051.12
92	AC oil filters PF-35	3,000	3.99	11,970.00
93	STP carburetor cleaner, 13 oz	4,446	2.69	11,959.74
94	National motor oil 10W30, 1 qt	15,456	0.77	11,901.12
95	1-piece Auto ramp, pair	536	21.99	11,786.64
96	Champion spark plugs 8/RBL 15Y	1,038	11.29	11,719.02
97	Turtle Wax bug/tar remover, 16 oz	5,825	1.99	11,591.75
98	AC oil filters PF-30	2,855	3.99	11,391.45
99	Turtle Wax vinyl top, 14 oz	4,081	2.79	11,385.99
100	Thrush Muffler T-4163 (96)	694	15.99	11,320.92

Source: Allied Accessories & Auto Parts Company, Mount Pleasant, Mich. For May 1982.

Wal-Mart's automotive department speaks volumes—from merchandise stacked up the wall to chemicals stacked out on the sales floor. *(DSN photo)*

PMA®

PRODUCT MOVEMENT AUDIT

Auto Parts

(Continued from page 21)

932 units sold at an average retail price of $2.99. In addition, all five Armor All sizes made the top 50. The 16-oz. size ranked third.

Armor All clearly dominates the leather and vinyl protectant line. The next best seller, Turtle Wax Vinyl Top, ranked 99th. Since Armor All is more expensive than Turtle Wax, strong promotion is the most likely explanation for its success.

Conventional waxes and polishes, led by Rain Dance, generally outsold the polys. Consumers seem to think the conventional products work just as well despite advertising claims to the contrary. Both need to be reapplied every six months to maintain the finish, and the regular polishes are slightly cheaper.

Rain Dance and Rally, both Du Pont products, were the top sellers of the conventional and poly fields, respectively. Rain Dance paste and liquid, second and fifth on the list, had a combined unit movement of 20,838. Rally liquid and paste, ninth and 12th, had a combined movement of 13,308.

Two other traditionally strong spring sellers were in the top 10. The two-ton hydraulic floor jack was fourth, selling 1,000 units at an average retail price of $69.99. Freon, necessary for air-conditioners, was sixth.

While motor oil, oil filters and oil treatments—historically promotional favorites—had generally higher sales this spring, most of them lost some ground on the PMA as retailers looked for new products to draw traffic into the department.

STP oil treatment, ninth last year, was 13th this year, despite the fact that it boosted its unit sales by a third, from 14,548 to 21,493. It slipped because car-care products did even better.

Only one oil product suffered a significant dropoff from last year—Valvoline 10W40 oil. Last spring it was fifth, with unit sales of 33,695. This spring, despite the same price, its sales dropped to 13,044, only good enough for 66th place. Its two main competitors, Quaker State and Pennzoil, easily outperformed it, both finishing in the top 25.

Baker Is Sole Supplier Of Pamida's Footwear

READEVILLE, Mass.—J. Baker Inc. has signed an agreement with Pamida Stores, making it the exclusive supplier of Pamida's footwear departments.

Baker will be responsible for all footwear merchandising and operational supervision in each of the approximately 150 Pamida stores.

The agreement was announced by Robert Befker, president of Baker, and by Frank Schlosser, senior vice president and gmm of Pamida.

54 CASES FREE AGAIN!

During the first quarter, we made a terrific offer to the trade on Union Super and Union Premium motor oil. And it was so well received that we decided to make a similar offer on gas-saving Long Distance Purple and 20W/50 motor oil.

Here's how it works. When you make a carload purchase of Long Distance Purple or 20W/50, you get one free case with every ten you buy. That means you get 54 cases free in every carload of 600 cases.

In addition, our offer continues on Union's two ATF products in plastic quarts. You get one case free with every twelve, on carload purchases of Union motor oils. And in addition to your free cases, you also get a co-op allowance of 50¢ a case for every case purchased. These two offers last only through September 30, 1982.

Contact the Aftermarket Specialist nearest you.

S.C. Bean, Phoenix, AZ, (602) 264-7381
Jack Steinberg, San Francisco, CA, (415) 235-7800
W.M. Tastula, Seattle, WA, (206) 223-7613
D.A. Campbell, Los Angeles, CA, (213) 669-6631
D.L. Parnell, Portland, OR, (503) 223-1517

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Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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Mix Poses Challenge In Home Computers

Discounters liken merchandising home computers to writing computer programs: the possibilities are boundless.

But mass merchandisers—unlike computer programmers—haven't yet developed expertise in the field.

At this stage of the game, with new entries and constant change in computer hardware and software, selecting the right vendor or mix of vendors is to some degree like playing blindman's buff.

Stay tuned to DSN *for an expanded in-depth look at the home computer market. Coming Aug. 23: a special Lebhar-Friedman report.*

"In this category there are almost daily discussions and reviews," commented divisional merchandise manager Paul Sharp of the fanfare surrounding the coming computer age at his Zayre stores' Boston headquarters.

Zayre made a recent market entry with the Atari 400 in 33 selected Boston metro area stores. This fall, the chain will add Timex Sinclair 1000 to those stores and the balance of the chain.

"We're just on the threshold of a program," said Donald Tripp, senior vp and gmm, hard lines, of Fred Meyer, although his Portland, Ore.-based chain is one of the discount pioneers in the market. "It's not as easy as just putting stock on the shelf."

Since introducing the Texas Instruments 99/4A computer in 14 stores last Christmas, Fred Meyer has carefully widened its

(Continued on page 4)

Exec Merry-go-round: Zayre's Hollis to Fishers

By MARILYN NEERMAN

The executive merry-go-round is picking up speed in the corporate suites of discount chains.

The latest surprise is Peter Hollis, senior vice president, general merchandise manager, at Zayre, taking the captain's seat at Fishers Big Wheel where he becomes executive vice president.

Hollis, 39, who is filling the spot vacated by Frank Shanower (*DSN*, April 5), is expected to have a strong shot at the president's seat in the "not too distant future," according to inside sources.

The Hollis move came on the heels of several other industry personnel changes, such as Harold Smith's recent switch to the newly created post of president and chief operating officer for Woolco (*DSN*, July 26). Smith, 58, was vice president and general merchandise manager at Magic Mart, Little Rock, Ark.

Woolworth/Woolco picked up a senior vice president from Zayre's ranks, too.

Joseph C. Murania, who had headed up Zayre's store operations, is now executive vice president and chief administrative officer at the New York-based operation.

(Continued on page 50)

Peter Hollis
Exec VP, Fishers Big Wheel

Green Light For Restricted Distribution?

Catalogers Flay FTC's Lenox Decision

By ARTHUR MARKOWITZ

WASHINGTON—Catalogers are up in arms over the Federal Trade Commission's decision to support Lenox Inc.'s effort to restrict distribution of its goods, which is expected to trigger similar requests from other manufacturers.

One request from Pioneer Electronics USA is already pending before the commission, although it was filed before the Lenox case was decided.

Catalog showroom industry executives scored the FTC for its Lenox decision and planned to file comments opposing Pioneer's request.

A Closer Look

In the Lenox case, the FTC, by a 3 to 1 vote, modified a 1970 consent order, thus allowing the manufacturer to restrict distribution of its merchandise and cut off retailers who transship goods.

Pioneer has asked the FTC to change a 1975 consent agreement to permit the manufacturer to restrict resale of its goods, and has requested that its restrictive distribution shouldn't per se be prohibited as resale price maintenance.

Service Merchandise and Best Products were the two major retailers to file objections to Lenox's request for a consent order change, while the National Association of Catalog/Showroom Merchandisers also

(Continued on page 49)

Matthews, Guinan Divide Duties, Conquer Problems at Gold Circle

"We probably spend more time with each other than anyone else, drifting into each other's offices and touching base all of the time."—James Guinan, president, Gold Circle.

By BETTY J. TAYLOR

"I tend to be the emotional one. I'm the hip-shooter in the office. He's calmer, more dispassionate and objective in his approach to business," James Guinan, president of Gold Circle, said of himself and his executive suite partner, Norman Matthews, chairman and ceo.

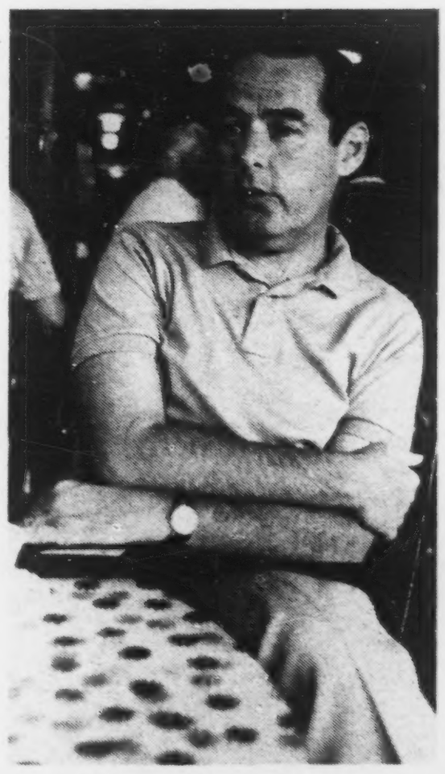
New Approach

In 1980, Federated Department Stores matched them to head its Ohio-based discount store division in an unusual executive suite arrangement that treats chairman and president as equals.

As at other Federated divisions, both executives report directly to corporate. There is no subordinating relationship; running the chain is an equally divided responsibility.

Despite, or because of, their differences, Guinan—a Brooklyn (his hometown) College psychology major, whose first love

(Continued on page 49)



"We could switch jobs tomorrow, and in a year's time we wouldn't have lost a beat."—Norman Matthews, chairman and ceo, Gold Circle.

Digest

Aug. 9, 1982

H&BA

- **Discounters in ethnic product merchandising are changing** the mix for broader assortments and faster turns. (p. 11)
- **Solid deodorants are gaining shelf space in H&BA depart**ments at the expense of aerosols. (p. 12)

HOUSEWARES

- **NHMA Show Followup: The Housewares Show was a big hit** among discounters due to the price opportunities available on the uncrowded floor. (pp. 3, 14)
- **Window Shopping: *DSN* took its own poll on the changing of** Houseware Show dates. The findings proved everyone wants it held in Maui three times a year. (p. 14)

HARDWARE

- **Having showed strong sales last year, kerosene heaters will get** an even bigger push this fall from dealers, with oil-filled models a new challenger. (p. 15)

CATALOG SHOWROOM NEWS

- **Jewelcor's catalog division showed a strong increase in operat**ing profits for the fiscal year, despite flat sales. (p. 15)
- **Best has closed five of its acquired Basco units. (p. 17)**

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Editorial	6	Product Movement Audit	
Executive Changes	27	Hardware	15
Market Outlook		Washington Beat	6

HARDWARE

Oil-Filled Unit New Challenger

Kerosene Heaters Seen Hot

The recent decline of quartz space heater sales has led to some speculation as to the hottest sales-growth heater for the 1982-83 winter season.

Discounters are placing their bets on kerosene over quartz units and the latest challenger—oil-filled heaters.

They are basing predictions on last year's performance plus expectations of lower prices this year as manufacturers vie for a share of increasing sales.

Heck's, Cook United, Gee Bee, and Fishers Big Wheel are among those chains that fared well with kerosene models last year and expect this year's sales to take up where quartz heaters left off.

"It's going to be kerosene this year," said Carlos Owens, buyer for Charleston, W. Va.-based Heck's.

Last year Heck's carried one kerosene model at a retail of $179. This year Owens is looking to add a promotional model and a higher-end convection model—boosting the sku count to three.

Owens admits he is still watching the category as oil-filled units—said to have 50% of the European market—cross the Atlantic to take a share of the growing space heater category.

Different Emphasis

The units are said to have a market saturation of less than 3% in this country, and meet a need for heating small enclosed spaces. Kerosene heaters, on the other hand, are designed to heat larger areas.

Oil-filled heaters hold an additional advantage in states with safety laws limiting the use of kerosene heaters. In Massachusettes use of kerosene heaters in the home is against the law. In New Hampshire the purchase of a kerosene unit requires a permit from the fire department.

Gee Bee, based in Johnstown, Pa., is one chain that carried an oil-filled heater last year. Ticketed at $99, the model did well in the small electrics department, reported divisional merchandise manager Jeff Diamond.

This year, prices of the oil-filled units should be as low as $69 with the average about $75, according to a spokesman for a manufacturer of the units.

Some manufacturers estimate mass merchandisers—because of the price—will sell some 40% of the oil-filled heaters sold on this side of the Atlantic.

Although these factors point to a rise in the sales of oil-filled heaters, merchandisers like Gee Bee's Diamond are still expecting top sales from the kerosene units.

"Kerosene is the big number," he said. For this fall the sku's count on kerosene models was doubled to six at the 20-store chain.

Diamond may, however, make additional changes once fall sales results are in.

At Murphy's Mart, another Pennsylvania-based chain, more of last year's "excellent" kerosene heater sales are expected this year, reported a chain spokesman.

Last year a 9,500 Btu model retailing at $179 was the top mover over 6,000 Btu models priced at $157. So this year the chain will drop the lower-priced model and go with a 9,500 Btu, a 12,000 Btu and an 18,000 Btu model.

Places Bets

"Oil-filled convection units have a place in the industry too," said the Murphy's Mart spokesman. This year his chain will pick up a 5,100 Btu model from Delonge ticketed at $128—$97 on sale. Quartz heaters will be stocked in the chain's home furnishings department.

A spokesman for the Cook United chain also predicted, "Kerosene heaters will take over for the quartz heater this year." Prices for the units at his chain are in the $150 area.

The spokesman does see oil-filled heaters making some dent in sales as prices start to drop. However, to date no oil-filled units have been stocked at Cook United.

At Fishers Big Wheel, kerosene heaters sell well in the housewares department, said merchandise manager Pat Nicholson. The New Castle, Pa.-based chain carried about four sku's last year plus kerosene canisters and a torpedo heater in the hardware department.

Price Drop

Nicholson also sees prices on kerosene models dropping this season as manufacturers compete for the business. Agreeing is Gary Rice, buyer for the Cincinnati-based Van Leunen's chain. He said the category, a strong one in his six stores, should be aided by the rise in the number of import models, which should lead to a drop in prices.

New Hills Planned

CANTON, Mass.—Hills will open a new store in Huntington, W. Va., this fall.

The unit will contain 80,000 sq. ft. and have 74 departments. It will be the third Hills in the area.

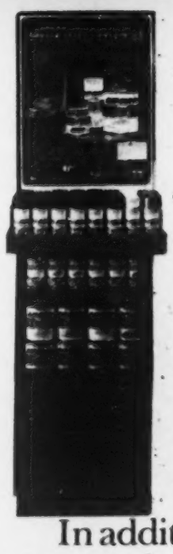
Glues, Lubricants, Adhesives Due to Make Bigger Splash

The glues, lubricants and adhesives category is one pinpointed for expanded sku's and stepped-up promotions during the balance of this year, according to Marvin Deneroff, Hardware Distributors, Secaucus, N.J.

The firm, which supplies 350 stores including 141 discount stores in 20 states east of the Mississippi, supplied the Product Movement Audit The figures cover the first six months of 1982.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	GLUES/LUBRICANTS/ADHESIVES			
1	Vail Chem SG1X Super Glue 3gm	23,304	1.19	27,731.00
2	Krazy Glue G49BX Krazy Glue	13,160	1.59	20,924.40
3	Woodhill SUP1 Super Glue 3gm TU	4,560	1.49	6,794.40
4	Gen Electr GE361 Silicone Seal Clear	1,836	3.49	6,407.64
5	USM 203 Electric Glue Gun	510	11.99	6,114.90
6	Miracle 401 Acrylic Caulk	2,988	1.89	5,647.32
7	GE372 Silicone Seal White	1,577	3.49	5,503.73
8	Boyle Mdwy 391 3-in-1 oil 3-oz Can	3,324	1.49	4,952.76
9	Boyle Mdwy 8596 ¼-lb Can Plas Wood	2,438	1.99	4,851.62
10	Ruscoe Co. P612 Pliobond Glue 3-oz B 1, 864	1,864	2.29	4,268.00
11	Weldit Cement 1½ oz	3,576	1.19	4,255.44
12	Darworth J6 4 fl oz Polyseam SealT	1,800	2.19	3,942.00
13	Welwood 0516 QT Contact Cement	487	7.49	3,640.14
14	Woodhill TPX5 E-Pox-E Glue Clear	1,646	2.19	3,604.74
15	Weldit Leak Stopper 1½ oz	23,788	1.49	3,543.22

A GOLDEN OPPORTUNITY.



Soon millions of people will see this bar in a national magazine ad designed to lure people into stores that sell Rust-Oleum.®

It's part of the Rust-Oleum "Precious Metal" Sweepstakes.

If you participate, and find a place in your store for our Precious Metal Sweepstakes display, people will be tripping over each other to get into your store, and sign up to win gold.

An excellent opportunity, by the way, to sell more Rust-Oleum.

In addition, participating dealers also have a chance to win some gold.

First Prize for dealers is a 13 ounce bar of solid gold (worth $4225 when we took these photographs). Second prize is an 8 ounce bar. And for third prize, there are 25 opportunities to win a one ounce gold coin.

To find out how you can take advantage of this golden opportunity to build traffic and maybe win some gold yourself, ask your Rust-Oleum representative, or send us the coupon below.

It can only make you a richer person.

I want to take advantage of this golden opportunity. Please send me information on how I can participate.

Name _____ Title _____

Company/Store _____

Address _____

City _____ State _____ Zip _____

Phone _____

RUST-OLEUM CORPORATION
11 Hawthorn Parkway, Vernon Hills, IL 60061

THE PRECIOUS METAL SWEEPSTAKES FROM RUST-OLEUM.

©1982 Rust-Oleum Corporation U.S.A.

Update on Advertising: An Industry Census (Part II)

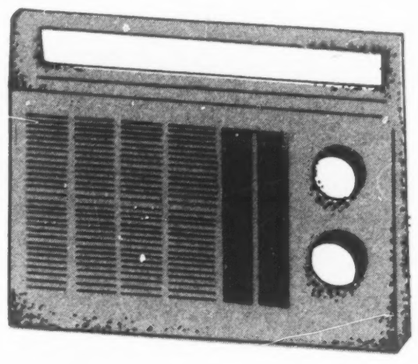
With some $1.4 billion expected to be spent on advertising this year by discounters and the per cent of sales devoted to media edging up each year, the ad budget has come under intense scrutiny.

DSN through its corporate research division, Lebhar-Friedman Research, conducted a survey among the top 100 discount chain operators in order to find out what trends are forming in this high-expense area.

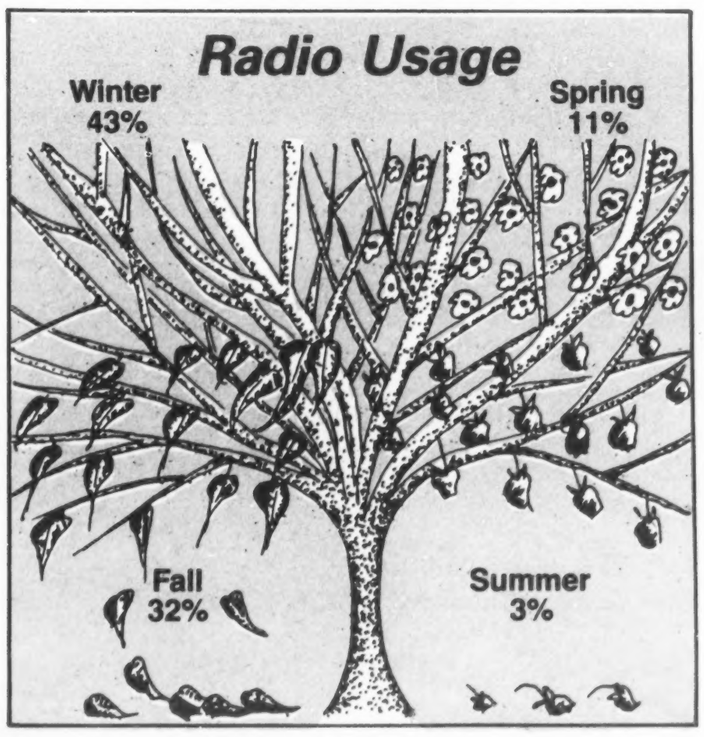
The findings of the study, entitled, "Update on Advertising: An Industry Census," are being presented here in two parts. Part I ran in the last issue of DSN and keyed in on the print medium.

Part II, which is running here, focuses on radio, television and on K mart's new media strategies.

Focus on Radio



- **50% Increased Usage Over the Past 5 Years**
- **7% of 82's Ad Budget is Devoted to Radio**

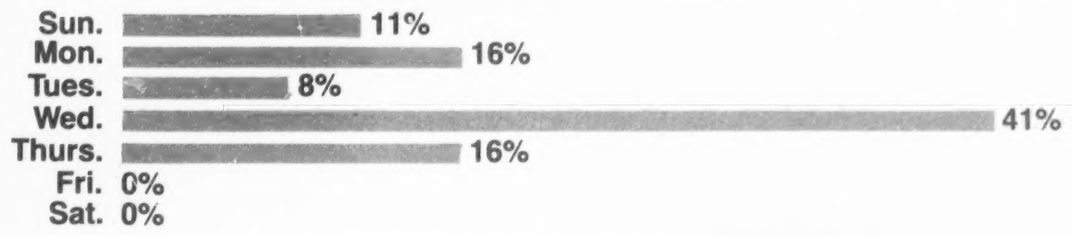


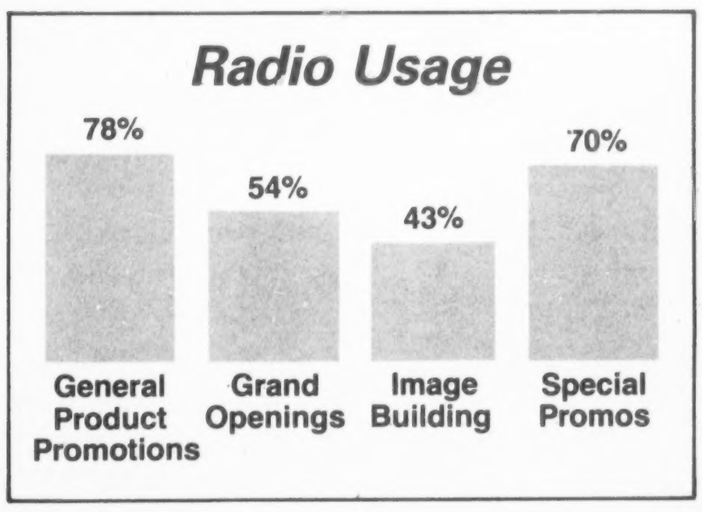
Radio Usage Campaign Length

One week or less	70%
2-4 weeks	24%

Radio Usage = 73% Drive Time

Radio Breakdays



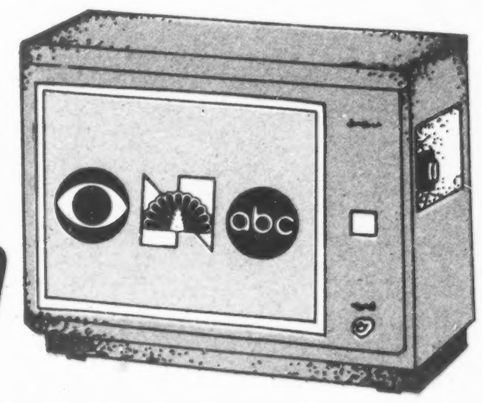


Radio Usage

30-second spots 57%
60-second spots 43%

93% say radio is strictly a support medium

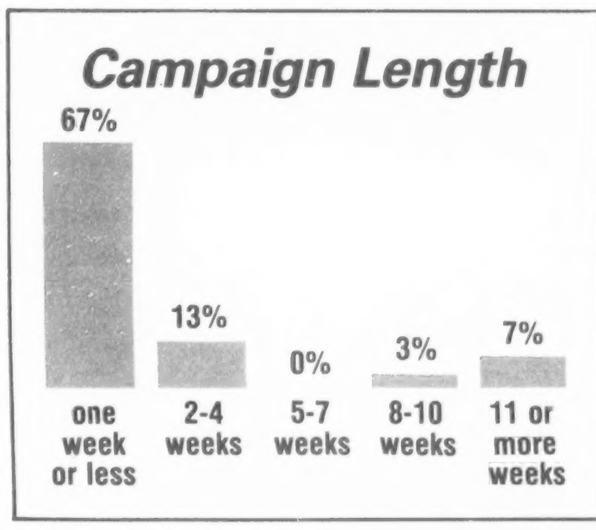
Focus on Television

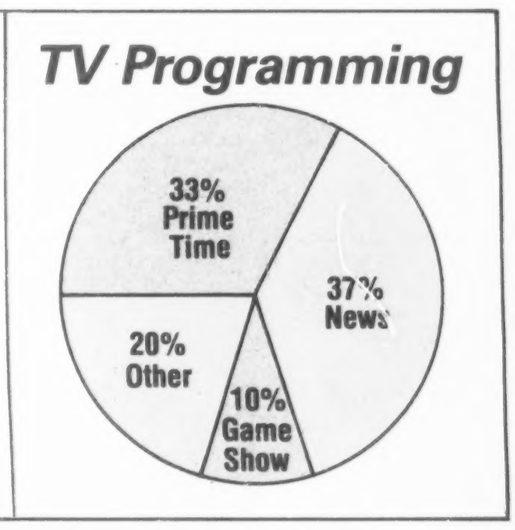


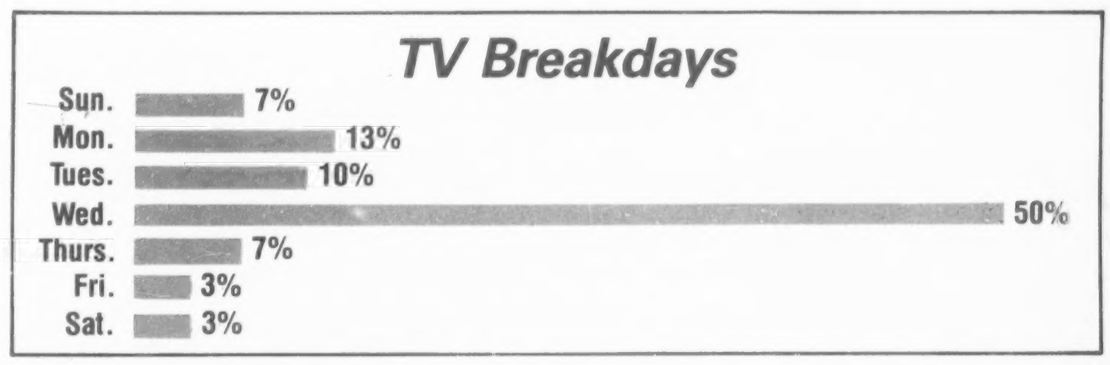
- **14% of Ad Budget devoted to TV in '82—a 10% Increase**

TV Usage:

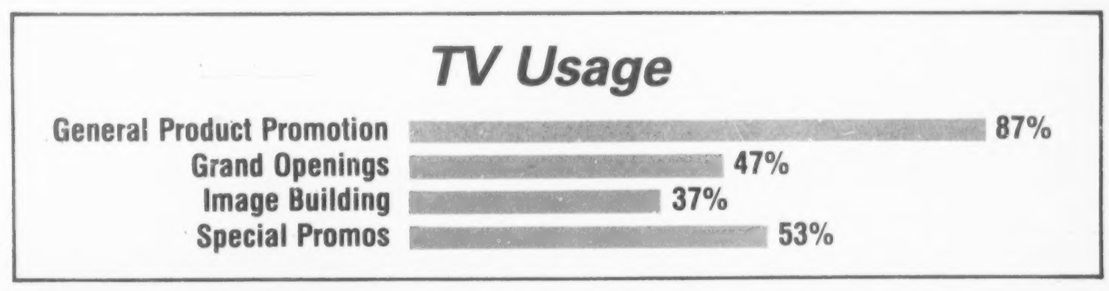
- **42% of spots are co-op funded**
- **80% have increased TV use since 1977**







TV Usage: • 73% Local • 37% Regional • 2% National



TV Usage: 77% use 30-second spots; 7% use 60-second spots.

Case Study: K mart

- **Estimated 1982 Sales = $18 billion (9% Increase)**
- **Total 1982 Ad Expenditures = $400 million (6.8% Increase)**

Ad Budget as Per cent of Sales

1981—2.33% 1982—2.22%

- **88% of budget devoted to newspapers/circulars/direct mail**

K mart's $48 million "New Media Strategy"

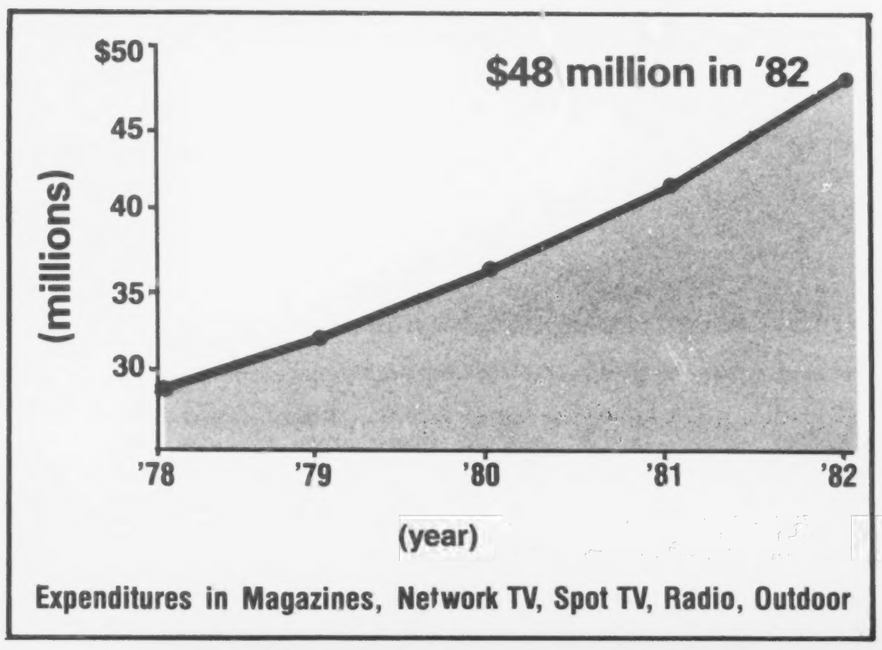
- Magazines
- Radio
- Spot TV
- Network TV
- Outdoor

(Continued on page 46)

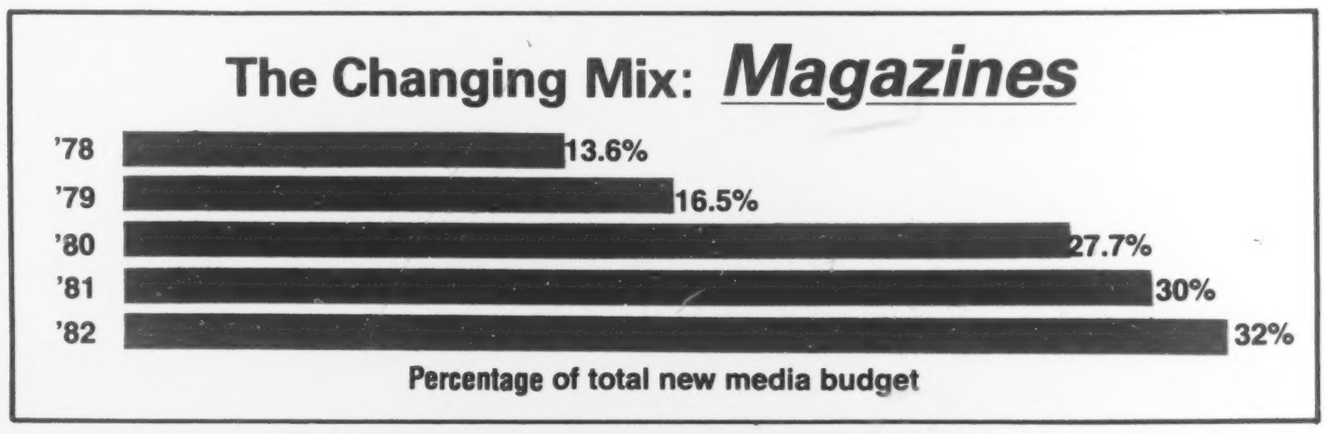
Case Study of K mart: The Changing Ad Mix

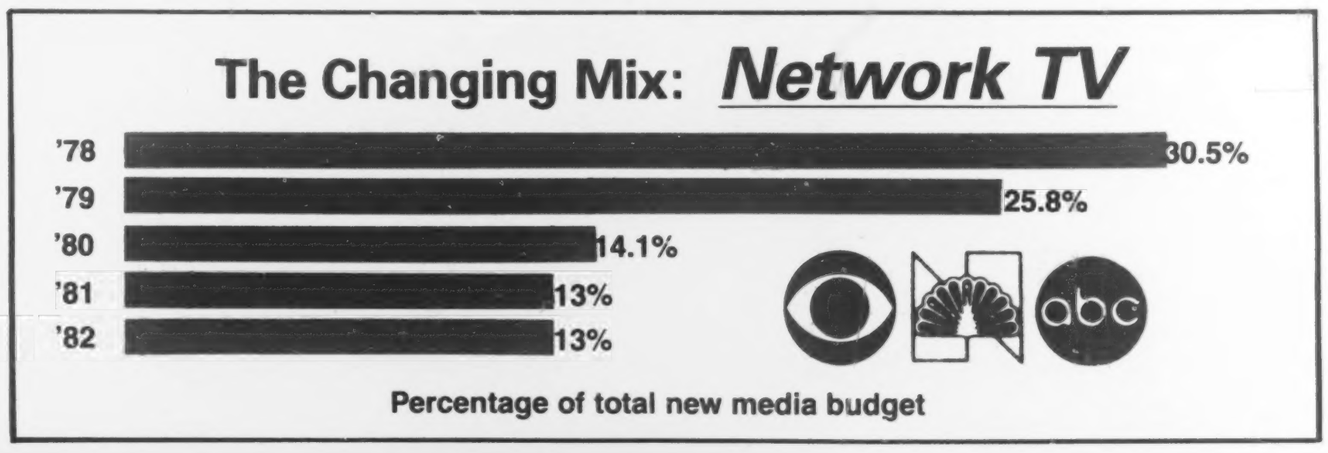
(Continued from page 35)

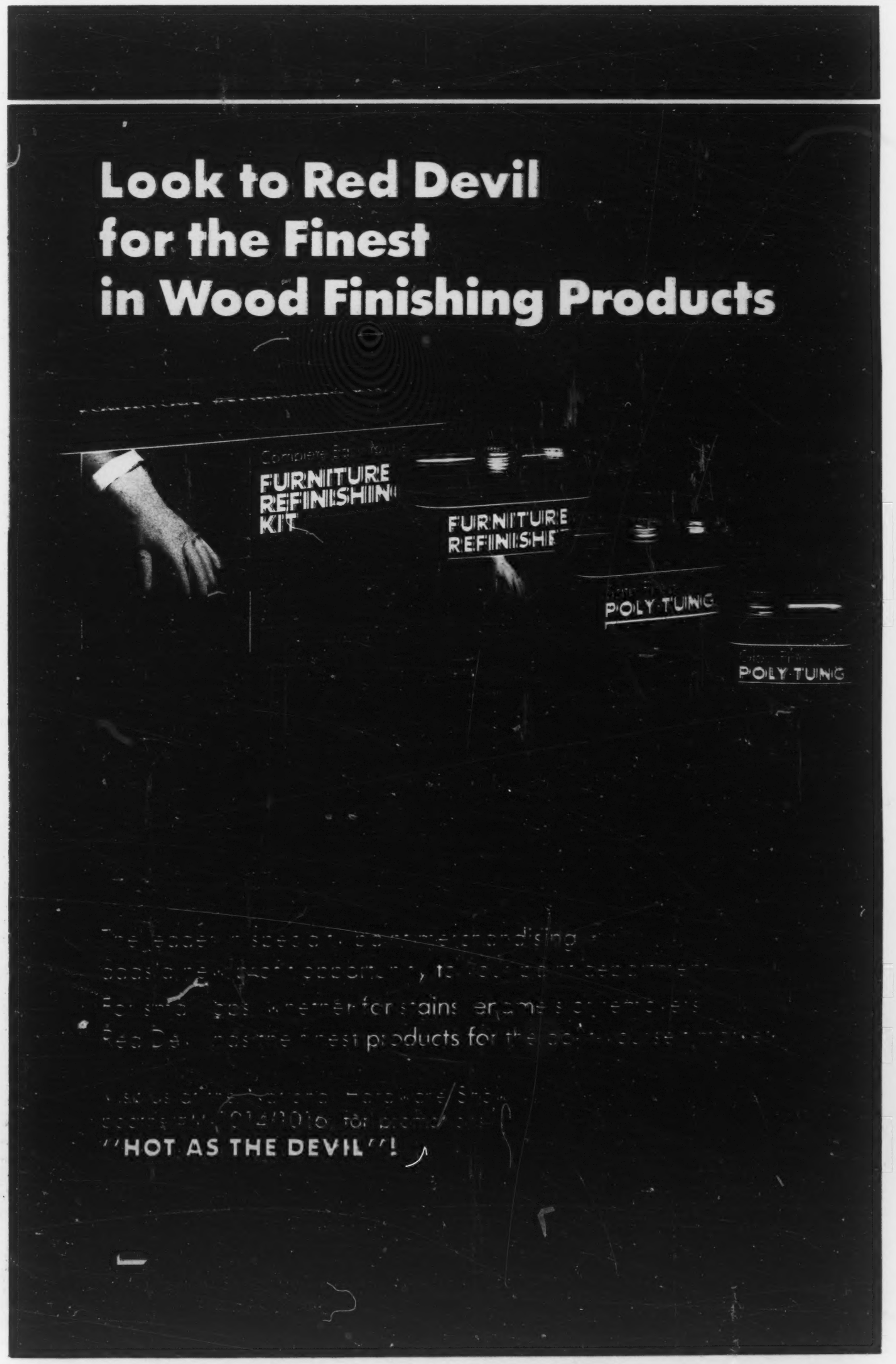
The Changing Mix:



Expenditures in Magazines, Network TV, Spot TV, Radio, Outdoor







Spot TV

52% of budget

Constant for the last 4 years

20th Anniversary Campaign

Total ad spending

50%

above normal for 3-week promo.

The campaign cost 8.6% of the total ad budget; $34.5 million was spent.

CE Buyers

(Continued from page 7)

Gran Prix, which while reasonably priced, offer the performance of more expensive systems sold in department stores.

"There have been few complaints about quality," said Flowers, who believes his sales increases have come at the expense of department stores.

Millner of ALCO pegged bookshelf units and boom boxes as his starlights. The bookshelf units and boom box category combined have replaced consumers' desire for larger stereos, he said.

ALCO's sales in the two categories are running 20% ahead of last year's. In a program composed of Juliette boom boxes from $99 to $199 and an eight-sku Gran Prix bookshelf stereo program, priced from $129 to $300, Millner finds all price points doing equal business.

C5150-3 8/23/82

HARDWARE:
Special Report—Pages 37-68

22-92894-E2 11P90 D
101549947 P240750 DEC82
CONGRESSIONAL SOURCE INFO
SRI ACQUISITIONS
4520 EAST/WEST HIGHWAY
-THESDA MD 20814

Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

VOL. 21, NO. 17 | Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman Inc. | $2 a copy | AUGUST 23, 1982

Fall Optimism Gains; BTS in Earlier Start

Nationwide DSN Report

Summer inventory cleaned out on schedule, but for many discounters clearance came at the expense of earlier markdowns and/or deeper cuts.

Even though most chains entered the season with lighter inventories, a devastating June with unseasonable weather left inventory levels above expectations. But a hotter July and stepped-up promotions prompted some relief and upped optimism for fall.

"We were hurt by June's bad weather and we had a little more inventory left than we liked," commented Gold Circle's senior vp by soft lines George Rubin. His chain was among those planning to be rid of the excess of mid-August,

See July sales story, p. 89.

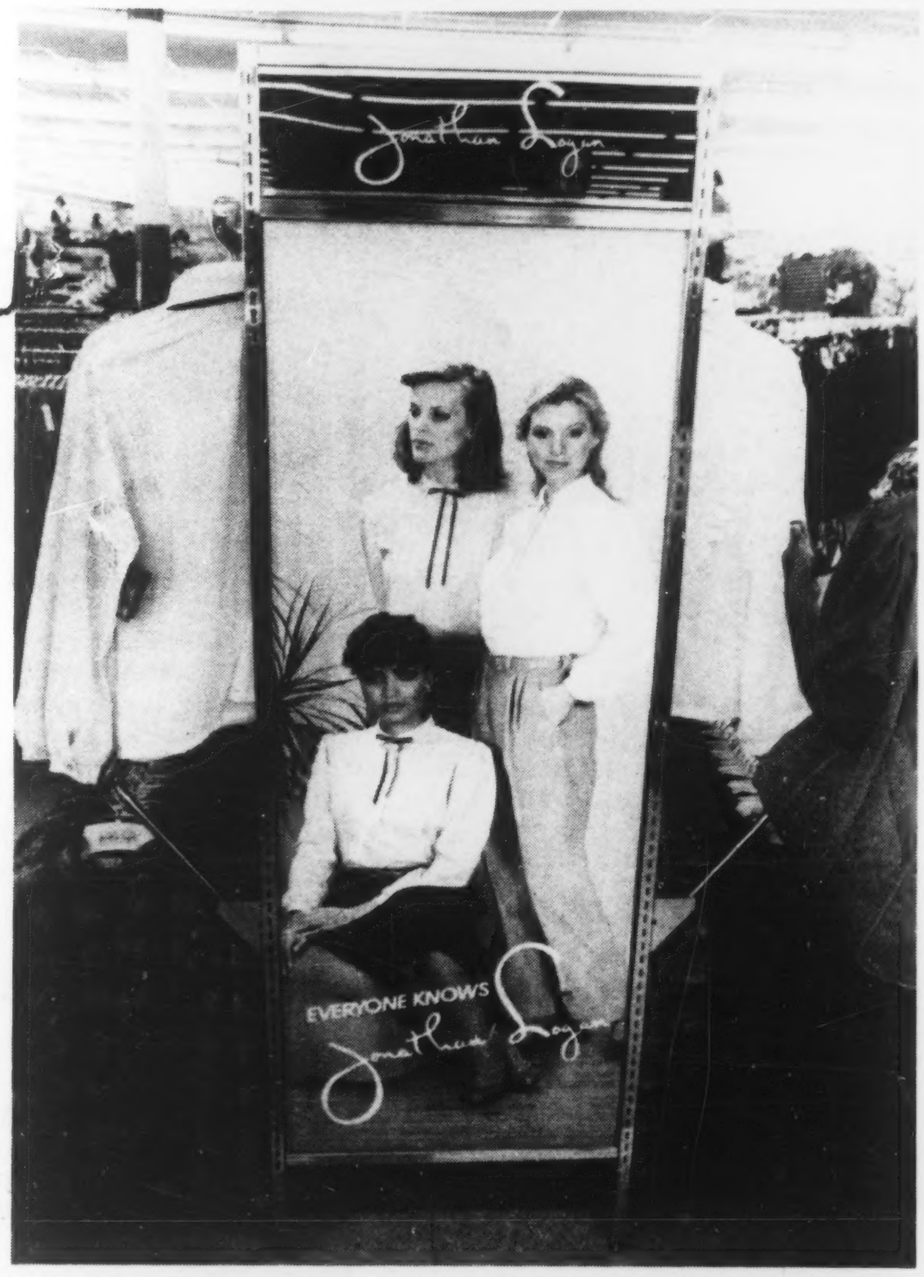
with cooperation from the weather without taking steeper markdowns than last year.

By the first of August, Gold Circle had 80% of its back-to-school merchandise in place despite the holdover of seasonal items.

In an effort to pick up lagging seasonal sales many chains opted to bring in BTS earlier this year. Among those gearing up early were Fishers Big Wheel, New Castle, Pa., and S. E. Nichols, New York.

"Last year we weren't ready for back-to-school until the second week of August and we felt that hurt sales," said Homer Helter, Fishers' vp of sales and marketing. He noted early strength in fall ladies' mini outfits, the tuxedo and prairie looks.

(Continued on page 89)



K mart is rolling out its special Jonathan Logan displays into some 400 stores like this one in Lodi, N.J. The signature active and dress wear collection is brightened by bold signing, special hangtags and new fixtures. *(DSN photo)*

H-e-e-e-re's Jonny! Logan Intro Gets Display Fanfare at K mart

TROY, Mich.—The first wave of Jonathan Logan merchandise has hit 400 K marts as the chain's $3 million-$4 million advertising blitz reached consumers through television, radio, newspapers and magazines.

However, the chain is now reportedly pinning its hopes on the back-to-school season for strong sales as initial figures were below expectations, according to a company source.

Both Logan merchandising and price points represent departures for K mart's handling of apparel.

The chain has devoted approximately 100 sq. ft. exclusively to Logan, using it as a main-aisle lead-off to the ready-to-wear department. The chrome modular fixtures—topped with headers bearing the Logan "signature"—are immediately visible upon entrance to the stores. Poster-size photographs of models wearing coordinated outfits are prominently featured on the displays.

To emphasize the coordinate theme, each item is tagged with a small booklet containing those photos. Some of the merchandise—such as denim jeans and sweatsuits—are being presented à la designer wear, with the Jonathan Logan name or initials emblazoned on the items.

(Continued on page 90)

E.T. Invades Smurf Turf

Nationwide DSN Report

E.T., phone home—or your local discounter.

As the summer blockbuster movie continues to bring people out of the heat and into the theaters, discounters are deciding whether to put their faith—and inventory dollars—behind the latest funny-looking creature to win America's heart. If they do, they hope the love affair is still going strong this fall and on into Christmas—when a glut of E.T. and other licensed merchandise is due to reach the stores.

Mixed Feelings

The availability and popularity of licensed goods have buyers wishing for a crystal ball: they want to be the first kid on the block to carry the hottest character-stamped items, but they also want guarantees their chosen lines won't fizzle.

Robert Craighead, vp/gmm of Glosser Bros., said his chain is taking a "bullish" stance on the coming E.T. invasion.

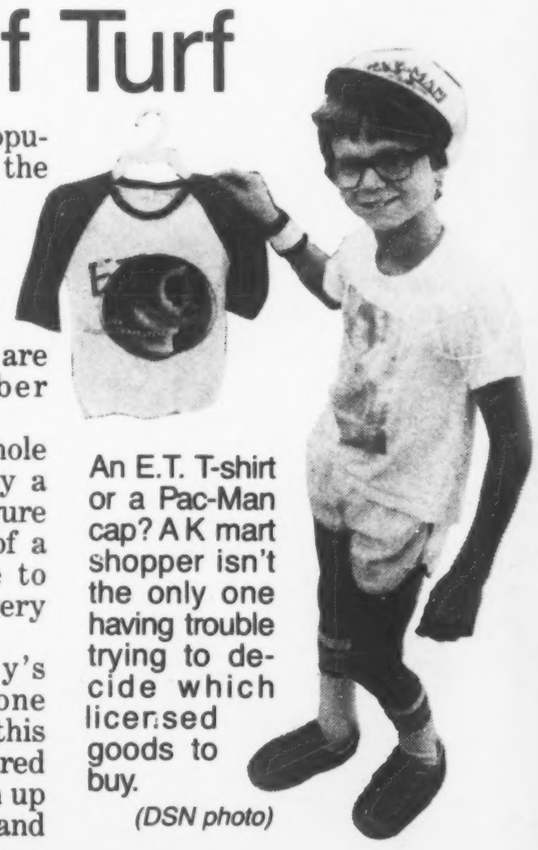
"Unless you're the first retailer with a hot licensed character you lose your margin opportunities and have to start right out by advertising to meet the competition's pricing," he noted.

Since E.T. has proved popular with both boys and girls, the Pennsylvania-based chain is moving in heavily with a stock of children's apparel. Based on the success in that area, toy, domestics and novelty gift departments are gearing up for September through Christmas sales.

Craighead said, "This whole licensing business is really a juggling act—trying to figure out the saturation point of a character and being able to move inventory in and out very quickly."

Gerry Fronk, Murphy's Mart's toy buyer, has done some juggling with his mix this year: The shelves were cleared of Dukes of Hazzard to open up space for E.T. Also, Disney and

(Continued on page 90)



An E.T. T-shirt or a Pac-Man cap? A K mart shopper isn't the only one having trouble trying to decide which licensed goods to buy. *(DSN photo)*

Target to Get 33 FedMarts

By BRAD ALTMAN

MINNEAPOLIS—Target Stores' decision to take over 33 FedMart sites in three Sunbelt states was hardly surprising after all the rumors in recent months.

But the formal announcement, in early August, was dramatic nonetheless.

In one swoop, Target entered the hotly competitive southern California discount market. FedMart thus nearly completed its transformation from major retailer into San Diego, Calif.-based real estate company.

Specifically, the 161-unit Dayton Hudson subsidiary said it will operate 28 California stores—20 in the Greater Los Angeles Area and eight in San Diego County. It will also take over four FedMart stores in Arizona—three in Phoenix and one in Tucson.

In addition, it will pick up one store in El Paso, Tex. This will be its first in El Paso, although Target has 30 units in Texas—primarily in Dallas-Fort Worth and Houston—with plans to open six more stores in San Antonio next spring.

Clearly, Target has become the chain for regional discounters on the West Coast and Southwest to watch. Since 1977, it has grown from 59 stores in nine states to 161 stores in 18 states.

(Continued on page 4)

Digest Aug. 23, 1982

SPECIALTY DISCOUNTERS
- **J. Brannam begins a search for a new president following the** resignation of Donald Rowlett. (p. 8)

H&BA
- **Custom-designed fixturing for cosmetics and fragrances mark** T.G. & Y.'s new AIM for the best Stores (p. 14)

SPECIAL REPORT/Home Computers
- **A special marketing report on how mass merchandisers are plugging into an exploding market that will hit $5.3 billion by 1985. (Section 2, pp. 15-34)**

HOUSEWARES
- **Toaster-oven sales are flat but high-ticket, continuous-clean** models may point the way to growth. (p. 35)

HARDWARE
- **Hardware buyers say this year's sluggish department sales** have set the stage for an upbeat Hardware Show. An in-depth, full-section report on the category begins on page 37.

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At the Source	39, 73	NMRI President's Corner	6
Catalog Showroom News	78	Pilferage Prevention	77
Disc. Mgt. Dev. Series	82	Product Movement Audit Hardware	42, 54
Editorial	6		

HARDWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	TOOLS			
1	Bernz fuel cyl TX9	17,124	2.69	46,005.34
2	Bernz propane blow torch	3,852	10.00	38,526.16
3	Arrow chrome staple gun	2,308	16.15	37,265.43
4	Bernz Medina fuel cylinder	10,116	2.38	24,083.16
5	Bernz torch kit, sp goggle	655	36.77	24,071.25
6	Stanley 12' Powerlock tape	3,511	6.37	22,367.53
7	Easco 6" wrench, adjustable	5,208	4.19	21,818.92
8	USM multihead rivet tool	2,581	7.86	20,287.43
9	Stanley utility knife	6,627	3.03	20,095.71
10	Bernz tote torch kit	526	36.77	19,343.39
11	Wiss snip w/serrated blade	3,118	5.84	18,205.07
12	Waterloo 18" box, one tray	916	19.35	17,725.97
13	Bernz torch kit plastic box	786	21.41	16,830.62
	POWER TOOLS			
1	Wen 7' sander-polisher	534	48.79	26,052.52
2	Wen all bench	412	61.06	25,157.75
3	Dremel Moto-Tool kit w/acc	586	33.88	19,850.75
4	Skok 7¼" plywood blade	3,747	2.18	8,149.72
5	Wen ⅜" cordless drill, rev.	163	44.32	7,224.96
6	Skok 7¼" rip blade	3,680	1.92	7,084.00
7	Lenk 25W soldering iron	1,162	5.84	6,783.18
8	Skok 7¼" comb blade	3,521	1.92	6,777.92
9	Skok 7¼" crosscut blade	3,379	1.92	6,487.68
10	3M dust mask	2,645	2.14	5,653.69
11	Wen electric pencil, w/carbide tip	673	6.61	4,450.21
12	Wen 3" belt sander	79	44.86	3,860.14
13	Dremel Moto Kit 3701	67	57.32	3,840.78

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	LUCITE PAINT			
1	White house/trim 1 gal	16,467	15.63	257,319.93
2	White wall/ceiling 1 gal	5,860	12.82	75,153.33
3	Interior, enamel white	2,828	16.73	47,306.78
4	Wall, white, 1 gal	2,412	12.82	30,921.84
5	Wall, antique white, 1 gal	2,204	12.82	28,255.28
6	House/trim, white, s/gls	1,368	16.26	22,251.34
7	Latex redwood stain, 1 gal	2,684	6.73	18,068.69
8	Exterior, enamel white, 1 gal	980	16.73	16,393.44
9	Wall, off white	1,248	12.82	15,999.36
10	Floor, gull gray, 1 gal	1,128	13.78	15,540.23
11	Wall, classic cream, 1 gal	1,176	12.82	15,076.32
12	Wall, mission ivory, 1 gal	1,160	12.82	14,871.20
	PAINT SUNDRIES			
1	Thompson water seal, 1 gal	5,772	11.54	66,585.79
2	WD-40 rust preventative, 9 oz	32,112	2.00	64,288.22
3	Macco liquid nail adhesive	32,856	1.39	45,538.42
4	Savogran Kutzit, 1 gal	4,339	9.69	42,036.23
5	Tap-90 EZ 3-piece paint set	12,596	2.60	32,799.98
6	Savogran Kutzit paint/varnish remover	10,836	3.09	32,379.20
7	Savogran Strypee paint remover, paste	2,368	10.33	24,466.18
8	Borden carpenter wood glue, 8 oz	13,752	1.57	21,563.14
9	WD-40 multiuse lubricant, 12 oz	7,944	2.48	19,685.23
10	Manco masking tape ¾ x 40	30,960	0.56	17,337.60
11	EZ 9" twin pack covers	16,512	0.98	16,181.76
12	EZ 4-piece brush set	7,812	1.85	14,436.58

(Continued on page 44)

Basics Hot; Promotional Items Sizzle

May through June sales at Stem Distributing, Maple Heights, Ohio, were generally strong.

Ken Richards, buyer for the distributor, which services some 480 discount stores in 35 states, said sales strength was based on increased promotional efforts.

The distributor instituted a new truckload sale program for electrical, plumbing, tools and power tools as part of its promotional thrust during the period.

"It's like a flea market," said Richards. "Customers don't know what will be there in advance, but they know there'll be a broad selection by virtue of strong advertising."

As a result of the attack customers generally make more impulse purchases.

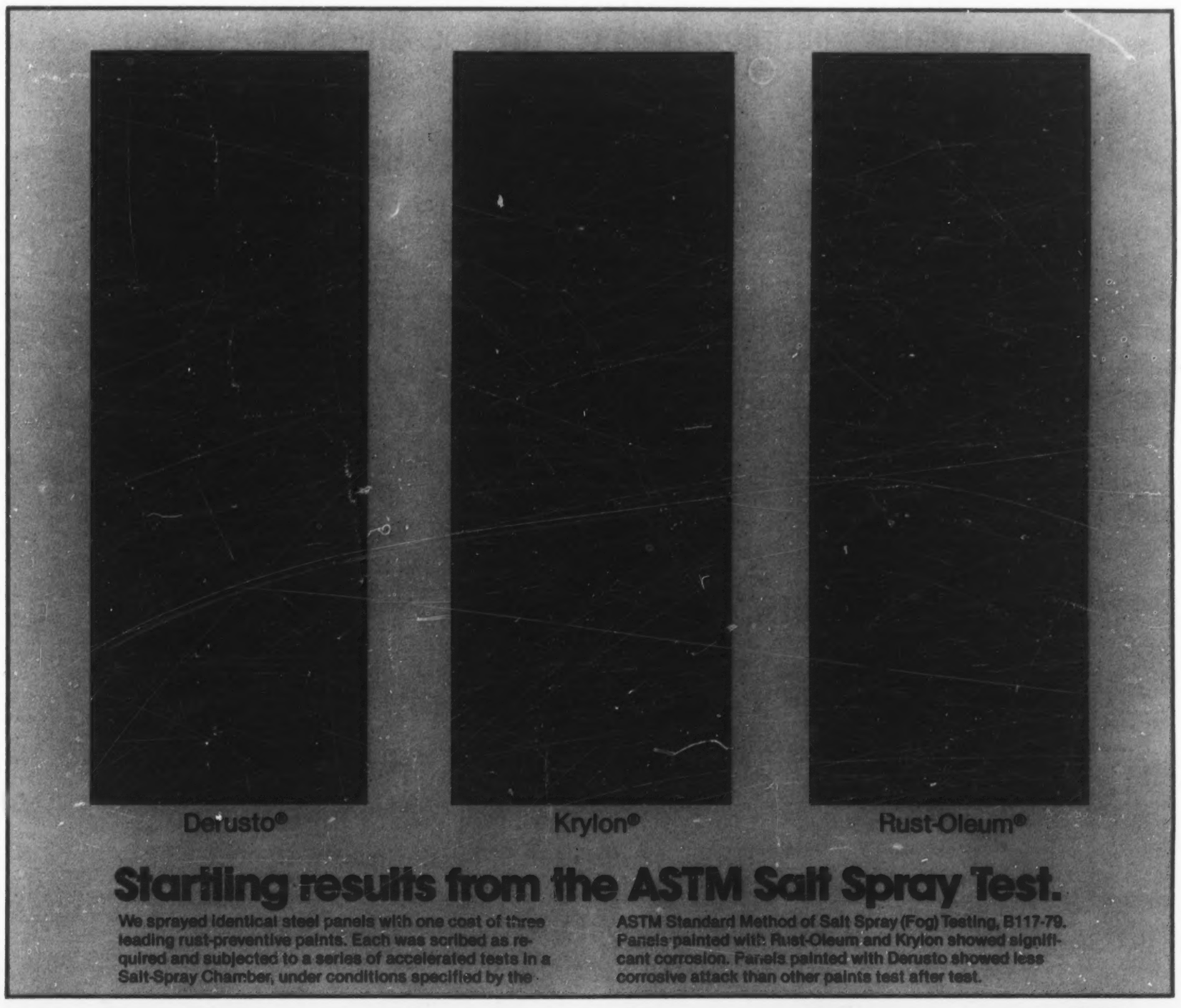
In a breakdown of movement of products in selected categories, promotional items ranked best.

In tools, according to Richards, "It's back to basics.

"Our biggest sellers are medium-priced hand tools."

The Bernz propane blow torch, a basic, was listed second on the tools roster. It was a heavy one-time promotion

(Continued on page 44)



Starting results from the ASTM Salt Spray Test.

We sprayed identical steel panels with one coat of three leading rust-preventive paints. Each was scribed as required and subjected to a series of accelerated tests in a Salt-Spray Chamber, under conditions specified by the ASTM Standard Method of Salt Spray (Fog) Testing, B117-79. Panels painted with Rust-Oleum and Krylon showed significant corrosion. Panels painted with Derusto showed less corrosive attack than other paints test after test.

Only Derusto is primed for profits.

Best by the test. Accelerated testing under severely corrosive conditions specified by ASTM standards proved it batch after batch: Derusto outperforms the leading specialty paints.

The built-in primer is why. Derusto lasts longer because it has a built-in anti-rust primer. The other paints don't.

Your customers will like the extended one-coat protection only Derusto's built-in primer can give. And satisfied customers mean increased demand.

Now that we've demonstrated Derusto is a better paint, we'd like to show you how you can make more money selling it.

More turns, with less inventory. You can carry less inventory because you don't have to stock slow-moving primers. So you tie up less money in inventory — and still stock a full range of your faster-moving colors.

Formula for even more profits. When you combine shipments of Derusto with DAP products and Dow Corning silicones, you get an even better deal.

National advertising, consumer rebates, co-op, and in-store displays complete the Derusto formula for success. Your DAP representative will cover the details.

Derusto®

The one that's primed for profits.

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Electronic Retail Pay Plan Eyed

NEW YORK—Retailers and financial institutions are teaming up to develop an electronic retail payment system that consumers will accept.

To deal with this problem in the New York Metropolitan Area, the Tri-State Action Task Force on Retail Payment Systems has been formed. It was organized by Touche Ross, the accounting firm, and includes people from retail, financial and information system firms in New York, New Jersey and Connecticut.

"The main objective of the Task Force is to displace costly paper-based and cash-based transactions with an electronic retail payment system," said Randy Allen of Touche Ross.

The system relies on a debit card that would transfer funds from the consumer's bank account to the retailer's at the point of sale.

Among the advantages of the system are improved cash management, speedier deposits, enhanced customer service through another payment choice, and a lower crime risk because of less cash at sales desks, said the developers.

In spite of the advantages, retailers have often balked at instituting an electronic system, but Allen said, "Recent developments should hasten their inevitability." She explained that the Federal Reserve has until now subsidized check processing, but is now changing its policy. Banks will pass the increase to retailers

(Continued on page 44)

HARDWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 42)			
	ELECTRICAL			
1	Romex 250' per box w/grd	3,649	35.73	130,365.63
2	UF 250' per box w/grd	855	50.06	42,797.02
3	Flor shop lit comp 40W, 48"	2,237	16.14	36,117.26
4	Norelco mercury vapor light	656	47.06	30,870.57
5	Conduit, 10' length	9,320	2.03	18,925.19
6	270V Grd duplex receptable	24,950	0.64	15,968.00
7	12/2 Romex w/ground boxed	771	18.76	14,462.57
8	Grd duplex receptable 1215BR/270B	19,320	0.64	12,345.48
9	Raco 2¼ bevel old work box	14,485	0.84	12,135.53
10	Flor u/cab fix w/o outlet	1,567	7.07	11,081.20
11	100F 16/3 Rd ex/cord 3302/46799	817	13.67	10,840.28
12	P/C porc recpt 000-9816C/1629D1	5,792	1.84	10,693.03
13	Romex w/grd 250' per box	386	26.40	10,189.55
14	Lutron UL rotary dimmer	2,375	4.34	10,114.66
	PLUMBING			
1	Mark II B grade toilet comb, white	1,532	54.89	84,095.77
2	NSRT 40 gal gas heater ST5	481	155.75	74,915.94
3	Medium hard copper, 10' length	16,475	3.46	56,937.60
4	Reeves 20-gal galvanized sheet can	5,258	9.04	47,549.14
5	Plaskol 32" shower stall	319	132.41	42,238.15
6	Flo automatic sump pump, submersible	393	90.01	35,375.66
7	U-PLM toilet tank repair kit	4,657	5.32	24,812.50
8	NCRT 40-gal gas energy saver ST5	116	208.48	24,184.05
9	CPVC pipe, 10' length	11,130	2.22	23,853.60
10	Mustee single laundry tub	1,000	21.40	21,398.40
11	Aqua lav faucet w/popup sgl	531	40.18	21,333.46
12	Flo plastic pump—pedestal	270	75.44	20,369.23
13	Flo cast iron pump—pedestal	233	82.83	19,299.11
14	M. hard copper 10' length	3,077	5.47	16,837.34
15	Aqua kitchen faucet sgl	531	32.60	16,776.00

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	LAWN AND GARDEN			
1	SLR tempr l&handl rnd pt shovel	9,504	6.67	63,391.68
2	Temper bow rake SB14	7,812	6.74	52,672.41
3	Colorite vinyl hose	12,060	3.26	39,345.75
4	Signet 27 radial hose	2,274	14.79	33,632.46
5	Color promo reinforcement 1521-50	5,535	5.87	32,504.29
6	Temper springback leaf rake	3,672	7.86	28,858.25
7	Keller leaf/lawn rake 22-T	8,832	2.64	23,307.65
8	S/City tool holder, adjustable 6 hook	5,616	4.06	22,800.96
9	Ortho Weed-B-Gone 1 qt	3,540	6.15	21,763.93
10	Bag-A-Bug beetle trap 1-6901	2,592	7.98	20,671.20
11	Temper lawn rake LR22	3,180	6.32	20,103.96
12	Temper hoe SG6	3,804	5.26	20,009.04
13	Melnor rain osc sprinkler	3,624	5.48	19,859.52
14	Wallace grass shear	3,636	4.83	17,561.88
	HOME IMPROVEMENT			
1	R0706/R3206DX green grass 6' length	12,187	2.47	30,070.20
2	7' wire aluminum screen	5,520	4.17	23,044.90
3	R0706 beige/brown grass 6' width	8,689	2.47	21,461.83
4	R0706 green/black 6' width	7,739	2.47	19,115.33
5	Kidde Fireaway extinguisher	1,787	10.19	18,210.96
6	Natco blk rub mating 36 x 105	65	250.56	16,286.74
7	2 x 4 x ⅛ Pegboard	12,600	1.17	15,820.56
8	30" Aluminum wire screen	4,760	3.27	15,565.20
9	24" Aluminum wire screen	5,730	2.66	15,225.76
10	32" Aluminum wire screen	3,750	3.43	12,866.25
11	6' Wood step ladder	428	26.50	11,341.57
12	5' Wood step ladder	478	22.67	10,838.08
13	16' Aluminum extension ladder	189	55.74	10,535.39
14	40301-36-9 Peer chain prl—⅜s—125	90	108.97	9,807.70
15	28" Aluminum wire screen	3,240	3.10	9,730.90

(Continued on page 46)

Basics Hot

(Continued from page 42)

which resulted in the sale of 3,852 units with an average retail price of $10.

Wen's 7-in. sander-polisher, the No. 1 item in power tools with 534 units sold for an average retail price of $48.79, earned its place through spring promotions. The unit is most popular for car body work as well as other spring-related activities.

A knock-off on the Workmate, Wen's All Bench at $61.06 average retail, ranked second. The unit accounted for $25,-157.75 in total movement.

Skokie notched up top sales in power tool accessories with its plywood, rip, combe and crosscut blades.

"The demand in accessories is for continuity," Richards stressed.

In paint and paint sundries, new categories for Stem, 1-gal. white house trim and wall/ceiling paints led off the seasonal activity. Sundries were tied with the paint promotions.

"An especially good impulse item in the accessories category is WD-40," commented Richards. The item, which is suggested for in-store endcaps, ranked second among sundries as 32,112 units were moved for an average retail price of $2.

Strength in lawn and garden also came from basics. An SLR round-point shovel led the cate-

(Continued on page 46)

Retail Pay Plan

(Continued from page 42)

and consumers. Since retailers receive billions of checks each year, a system eliminating payment by check, or at least reducing it, must quickly be found.

Another reason, according to Allen, is a change of strategy by Visa and Master Card. They have combined credit cards and cash cards into a common program. This change will result in retailers paying discounts on what are in effect cash transactions. The potential loss of money has spurred their interest in getting away from the national credit cards.

With acceptance among retailers, the final obstacle to an electronic system is resistance from consumers, but this is rapidly being overcome. The doubling of automatic teller machines to 26,000 over the past two years is evidence of this change.

The transition from teller machines to sale transaction machines is a small one, and the installation of machines in stores has already begun, Allen claims.

The Tri-State Task Force was formed, according to Allen, to make the transition a smooth one.

"Through a combined effort," she said, "many of the mistakes of previous unilateral designs can be avoided.

"For example, retailers' fear of tie-ups at checkout counters and loss of credit card customers to the banks can be addressed and dealth with beforehand." All of the problems can be solved through dialogue, she added.

The task force has instituted a two-phase plan. Phase I, beginning immediately, is the problem-solving period prior to actual implementation. Phase II, set for two years from now, is a pilot program to oversee the implementation.

STRIKE GOLD AT BOOTH 925

In-store display kits that won '82 Drummer Award for "Best Overall Sales Aid Program" have been improved for Structo's new Golden Classic™ line.

Here's real competitive metal for your '83 grill sales. Structo's new Golden Classic™ line.

Most-wanted convenience features presented with sophisticated appliance styling...Master Control Consoles with dual burner controls and Instalite™ on every model...cast iron grids, warming grids and Gas Monitor™ on most. Structo's six new Golden Classics set a new standard for gas grill value, so you can sell competitively—and at comfortable margins—in every price range.

Award-winning merchandising aids make Structo's exceptional value readily apparent to shoppers. Four-color display kits call out features and user benefits; strong 5-year warranty and the Good Housekeeping Seal build customer confidence in Structo quality.

Check out Golden Classic value at the 1982 National Hardware Show...then go for a bigger share of the booming gas grill market. Go for the Gold with Structo in '83.

STRUCTO®
STRUCTO DIVISION
KING-SEELEY KST THERMOS CO.
FREEPORT, ILLINOIS 61032

HARDWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 44)			
	BLACK & DECKER			
1	3/8' Drill, variable speed, reversible	2,852	24.71	70,472.92
2	7¼' Circular saw	2,005	33.08	66,315.38
3	Dustbuster 9330	1,970	30.35	59,789.50
4	Workmate, single htg	863	53.14	45,857.66
5	Line trimmer, 7" 8201	1,941	18.01	34,962.26
6	Sander, dbl/ins	1,310	24.42	31,996.75
7	Workmate, 29" dual ht	353	89.44	31,571.44
8	13" Hedge trimmer	1,066	29.01	30,927.32
9	Jig saw, dbl/ins	1,614	15.46	24,956.48
10	Utility lawn edger	430	57.34	24,655.12
11	7¼" Circular saw, 2 hp	379	62.26	23,597.49
12	3/8" Drill, v/s, rev-lock	569	34.41	19,580.71
	IMPORTS			
1	2-ton Hydraulic floor jack	2,366	61.99	146,680.17
2	3-speed 8" Drill press DP3MJ	887	105.00	93,135.00
3	Int/sls 40-piece socket set	10,021	9.00	90,189.00
4	Tab 6" bench grinder	1,826	47.02	85,867.65
5	S/B 22 gal air compressor 104A200-22	115	488.01	56,121.15
6	2-ton Cable hoist puller	2,866	18.75	53,737.50
7	Tab metal cut band saw HVMBS-4.5	159	248.07	39,443.13
8	Tab drill press, 12-speed	152	252.54	38,386.08
9	Tab ½DR pistol grip	736	49.44	36,387.84
10	Tab drill press, 5-speed	200	175.89	35,178.00
11	Tab 3/8DR reversible ratchet	551	49.44	27,241.44
12	21-piece ¼ & 3/8 socket set	3,755	6.75	25,346.25

These figures, for May 24-June 18, were supplied by Stem Distributing, a division of Cook United, Maple Heights, Ohio. The firm services 600 stores, including 480 discount stores, in 35 states. Average retail prices reflect typical price points for discount clients.

Murphy's Mart, Charleston, W. Va., gives an endcap to entrance locks. Lock sales for many discounters are running 25% ahead of last year, based on heavier promotions and refined programs. *(DSN photo)*

Basics Hot

(Continued from page 44)

gory with 9,504 units sold for total dollar movement of $63,391.69.

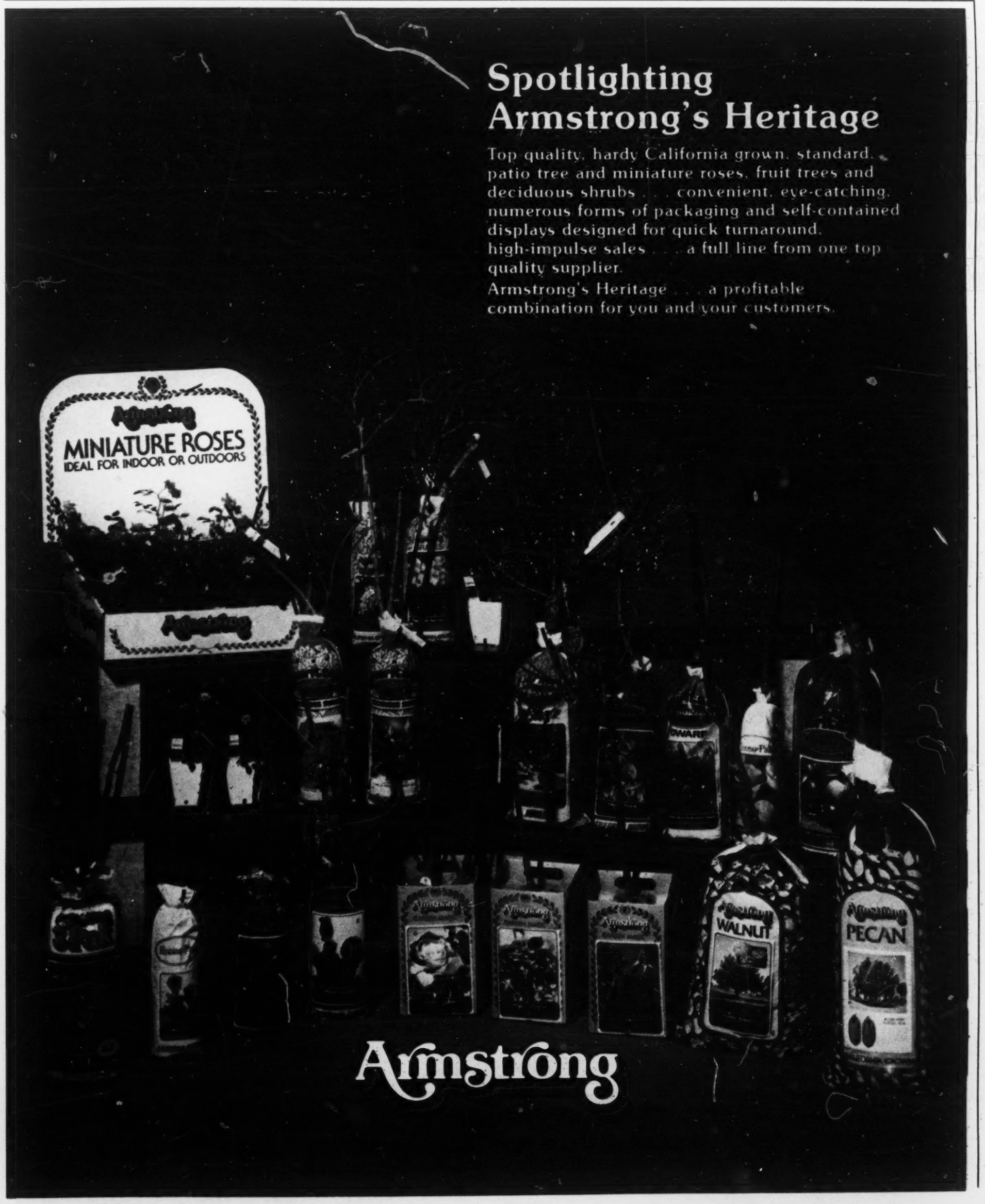
Home improvement sales were aided by one-shot promotions. Items used in the promotions ranked first, third, fourth and sixth.

Home improvement remains a strong category because of the economy, Richards added.

In power tools, Richards pegged the Dustbuster, which ranked third in the audit, as continuing to generate "super sales." Stem sold 1,970 Dustbusters, which generated an average retail price of $30.35 for total dollar movement of $59,789,50.

Import category sales continued strong for Stem. The items, made predominately in Japan and Taiwan, are generally low-end items of good quality, Richards said.

The two-ton hydraulic floor jack which ranked first among imports, with 2,366 units sold for an average retail price of $61.99, was a strong Father's Day item.


Spotlighting
Armstrong's Heritage
Top quality, hardy California grown, standard, patio tree and miniature roses, fruit trees and deciduous shrubs . . . convenient, eye-catching, numerous forms of packaging and self-contained displays designed for quick turnaround.
high-impulse sales . . . a full line from one top quality supplier.
Armstrong's Heritage . . . a profitable combination for you and your customers.
MINIATURE ROSES
IDEAL FOR INDOOR OR OUTDOORS
WALNUT
PECAN
Armstrong

K mart Taps Baker as Spokesman

TROY, Mich.—K mart picked an expert gardener—and former employee—to pitch its lawn and garden departments this year.

The chain gave the job to Jerry Baker, a former field merchandiser for K mart lawn and garden shops from 1961 to 1971, who left the chain to pursue a writing and media career as "America's Master Gardener."

Baker was tapped to make live appearances, television and radio commercials, and represent the chain in newspaper, magazine and point-of-purchase advertisements.

The Background

The gardener is also known for his appearances on TV talk shows: Westinghouse P.M. and Evening Magazine and the ABC/Hearst cable series Daytime. He formerly appeared on Dinah's (Shore) Place.

The author of 25 gardening books, including *"Plants Are Like People," "Talk To Your Plants"* and *"I Never Met A House Plant I Didn't Like,"* has also contributed to *"World Book Encyclopedia," Parade, Family Weekly* and *Grit.*

TSW to Make Debut on TV

WHITE PLAINS, N.Y.—Eleven-unit TSW plans to go on TV this fall for the first time.

A number of manufacturers will be providing funds that will be used to buy time on network and local TV stations, in the Greater New York Area, a TSW spokesman explained. This advertising effort will supplement the toy company's regular newspaper promotional program.

The company, which doesn't plan to open any new stores this year, projects sales will hit $14.4 million.

HARDWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
PLUMBING				
1	Sterling econ kitchen faucet	755	20.99	15,847.45
2	Sterling kitchen faucet single w	283	55.99	15,845.17
3	Sterling kitchen faucet twin w	271	45.99	12,463.29
4	Melard toilet tank repair	1,372	8.99	12,334.28
5	Sterling twin kitchen faucet 8129	319	33.99	10,842.81
6	Melard super plunger	2,304	4.59	10,575.36
7	Melard 6" force cup w/21	4,656	2.19	10,196.64
8	Sterling single kitchen faucet 7229	226	43.99	9,941.74
9	Sterling economy bath faucet	594	15.99	9,498.06
10	Melard 3½" basket strai	3,582	2.19	8,435.88
11	Melard shower head w/flow A	797	9.99	7,962.03
12	Melard 6' washing machine	1,433	4.99	7,150.67
13	Melard executive shower head	1,024	5.99	6,133.76
14	Melard 1½" j-bend kit	945	5.79	5,471.55
15	Sterling twin bath faucet 6089	123	37.99	4,672.77
WESTINGHOUSE BULBS				
1	60A/W/TP Soft white 2/sleeve	15,516	1.96	30,411.36
2	30/100T/WL 3-Way eye saver	6,900	2.79	19,251.00
3	75A/WTP Soft white 2/sleeve	9,420	1.96	18,463.20
4	FLS15/WW Luma stick lamp	715	24.50	17,517.50
5	50/150T/WL 3-Way eye saver	6,256	2.79	17,454.24
6	100A/W/TP Soft white 2/sleeve	8,148	1.96	15,970.08
7	F20T12/SW 24" soft white	2,454	6.15	15,092.10
8	60T/WL/TP Eye saver 2/sleeve	6,164	2.38	14,670.32
9	FC12T10/SW Circline soft	1,452	9.90	14,373.80
10	25 A/W Soft white, 2 lamp	5,280	2.46	12,988.80
11	50/250MT/WL 3-Way eye saver	3,853	3.29	12,673.08
12	15 A/W Soft white, 2 lamps	5,016	2.46	12,339.36
13	100T/WL/TP Eye saver 2/sleeve	5,100	2.38	12,138.00
14	BC4CT Night light, 2 lamps	6,589	1.72	11,331.36
15	75T/WL/TP Eye saver 2/sleeve	4,612	2.38	10,976.56

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
ELECTRICAL WIRING DEVICES				
1	Manco ¾ x 60' pvc U/L electrical tape	67,147	0.59	39,616.73
2	Cable Elec clamp-on light w/s	4,890	6.99	34,181.11
3	Carol Cable 100' rd orange U/L	1,649	16.99	28,016.51
4	Electripak 6 outlet power center	1,333	19.99	26,646.67
5	Intermatic Time-All timer	2,163	9.99	21,608.37
6	Dynascan The Night Sentry	706	24.99	17,642.94
7	Carol Cable 3 to 2 adapter 2/CD	17,096	0.99	16,925.04
8	Levitron night light, ivory	6,720	2.19	14,716.80
9	Carol Elec 6' polar extension cord, brown	9,511	1.49	14,171.39
10	Cable Elec 25' 18/3 work light, mtl	1,064	10.99	11,693.36
11	Carol Cable 16/3 100' rd orange U/L	550	19.99	10,994.50
12	Colton Crt E100 E-Z cord control	3,785	2.79	10,560.15
13	Lutron dimmer rotary on DR600RS	1,963	5.29	10,384.27
14	Lutron dimmer rotary on/off DR600PS	1,592	6.29	10,013.68
15	Thyrocon electric eye light	1,193	7.99	9,532.07
SEASONAL				
1	Thermwell P24 soft rope caulk	959	2.99	2,867.41
2	Stanley white cc foam	1,011	2.19	2,214.09
3	Thermwell 3-4 x 25' felt tape	1,392	1.49	2,074.08
4	Stanley brown cc foam	891	2.19	1,951.29
5	Thermwell 30' rope caulk	1,114	1.29	1,437.06
6	Thermwell 17' felt weatherstrip	1,741	0.79	1,375.39
7	Thermwell 42" A/C foam strip	1,369	0.99	1,355.31
8	Stanley aluminum/vinyl door bot SP1301	650	1.79	1,163.50
9	Thermwell aluminum/vinyl 3 piece door	75	7.69	576.75
10	Stanley 50 x 80 clear window	60	8.49	549.50
11	Thermwell 2 x 15' pipe insulation	192	2.79	535.68
12	Stanley 40 x 50 clear window	60	8.49	509.40
13	Thermwell ¾ x 10' rubber tape	192	2.59	497.28
14	Stanley brown ribbed ta V1340-12	60	6.29	377.40
15	Stanley white ribbed ta V1340-12	60	6.29	377.40

(Continued on page 55)

REAL-KILL
INSECT SPRAY
ROSE AND FLOWER
REAL-KILL
SPOT WEED KILLER
FOR HOME LAWN CARE
REAL-KILL
OUTDOOR INDOOR BUG KILLER
The only line that's all mixed up.
We'll be straight with you. Customers want premix convenience. And no other company gives them a complete line of premixed, ready-to-use lawn and garden products. That's customer convenience. And that means additional sales and profits. They'll choose from Vegetation Killer, Spot Weed Killer, Rose and Flower Insect Spray, Tomato and Vegetable Insect Spray and Outdoor Indoor Bug Killer. All mixed up and ready-to-go. For more information about ready-to-use Real-Kill products, write Dale Wassergord at Realex Corporation, P.O. Box 78, Kansas City, MO 64141.
REAL-KILL
VEGETATION KILLER
REAL-KILL
TOMATO AND VEGETABLE
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Ready. Aim. Spray.

Security Items Hot In June

Strong June sales of security items placed three Ideal security locks in top sales positions for the first six months of the year, according to an analysis provided by Hardware Distributors, Secaucus, N.J.

"These items sell much better in summer months," noted Marvin Deneroff, executive vice president of the distributor. "June sales definitely put locks where they are in ranking."

According to the Product Movement Audit, customers reached first for the Ideal Tulip Knob Latch, which has an average retail price of $6.99. The product ranked seventh on the list of hardware items, as 1,154 units moved for a total of $8,066.46 in sales.

Ideal's higher-priced Pushbutton Latch, with an average retail price of $7.99, accounted for $6,463.91 in sales during the period for a 14th place ranking. Holding down the 15th spot on the list was the $5.99 Ideal Door Closer (silver), which marked $6,415.29 in sales as 1,071 units moved.

Also on the top 15 list was the S-B Manufacturing Co.'s Storm King Door Closer, which ranked ninth as 1,042 units accounted for $7,804.58 in sales.

More Winners

Notching up a runaway first place in the category was American Built Duct Cloth, which accounted for 23,145 unit sales. With an average retail price of $1.39, total dollar movement was $32,171.55.

Two promotional items were ranked in the six months review, including the Closet Maid 18 x 6-ft. rack at third place and the Southern F ST 20 Mailbox, which ranked fourth.

Besides the 18 x 6-ft. rack, which accounted for $15,788.52 in sales of 265 units (at $44.99 each), Closet Maid also nailed down 13th place with its 18-in. three-tier rack. There were 467 units of the 18-in. rack sold at an average retail price of $13.99 for a total of $6,533.33.

In power tools, performance was well below what it has been for the last few years, said Deneroff.

"You will note that all of the leading items are utility tools," said Deneroff. "This category is definitely hurting compared to what sales were. For the rest of the year the category will be important, but not as much as it was last year."

The leading item in the six-month period was Black & Decker's Circular Saw, which moved 1,214 units for a volume of $57,045.86.

The highest-unit mover was Black & Decker's Jig Saw. There were 1,922 units moved at an average retail price of $17.99 for third-place ranking behind the Black & Decker ⅜-in. Drill VSR.

Bench Mark's 10-in. band saw, which at $199.99 average retail was the highest-ticketed unit mover on the list, ranked ninth. The unit accounted for $8,799.56 in dollar movement as 44 band saws were picked up by customers.

(Continued on page 55)

HARDWARE

Security

(Continued from page 54)

Bench Mark also garnered a 15th place ranking for its ½-in. Drill PR, as 45 units moved at average retail of $89.99.

In Power Tool Accessories, category sales were up for the six months compared to the previous year, said Deneroff. "Customers are definitely buying new parts for old tools. This trend will continue into the fall."

The leading item was Howard's ⅛-in. Twist Drill. The item, with $1.99 average retail, saw movement of 3,916 units for a total of $7,792.84 volume.

Basic electrical wiring devices and promotional items ranked high on Hardware Distributors' Product Movement Audit for the six months.

Topping the list was Manco ¾ x 60-in. electrical tape, promoted at 59¢.

Interest Is Building

Six of the top movers were timers. "This is definitely an up-and-coming category," said Deneroff.

Intermatic's Time-All was the hottest seller, as 2,163 units went out the doors for an average retail price of $9.99.

Another hot item earmarked for future growth is a Smurf nite light, Deneroff noted. "The item isn't listed because it didn't come on strong until the last two months."

In plumbing Deneroff predicts fall will be as strong as spring as sales of basics for repairs continue big during this economic climate.

Leading the list of plumbing items was Sterling's economy kitchen faucet. The item was promoted with a $20.99 price tag.

A $1 spring rebate aided sales of Soft Whites in Westinghouse Bulbs. The rebate has been extended through the fall and will include Eye Savers.

Soft Whites and Eye Savers showed up seven times in the top 15 items, led by the 60-watt two/sleeve which retails regularly for $1.96.

Like the general hardware movement audit, security hardware shows strong growth in locks.

The top three items were key products in most discounters security sections, said Deneroff.

"But more and more chains are expanding their programs. Hardware Distributors' business in the category is up 50% in the last two years, with a 20% increase last year."

Deneroff pinpointed padlocks as an area for greatly improved sales, particularly for back-to-school, a heavy promotion time.

Promotions in locksets are big from October through December.

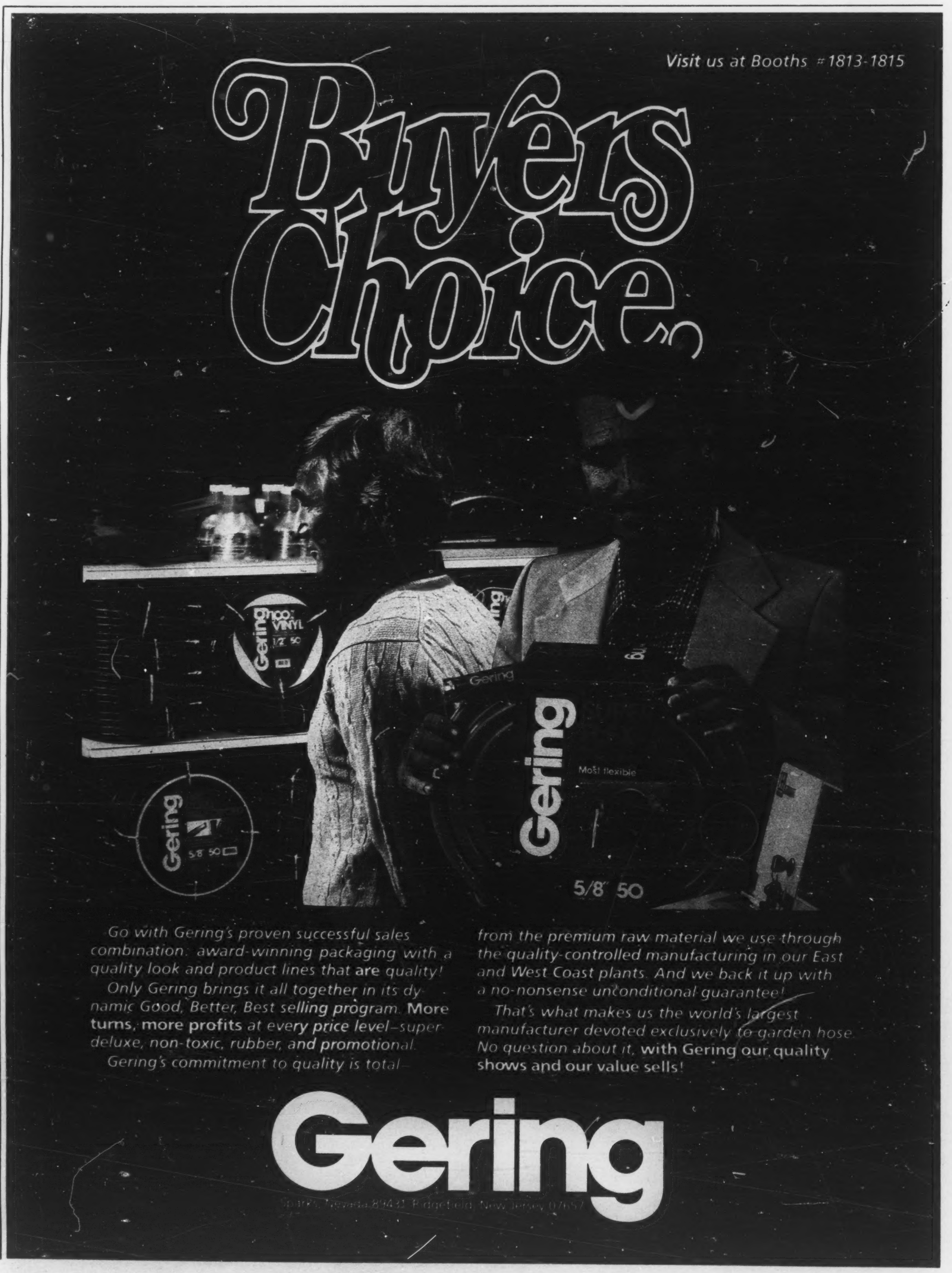
Scovill's entrance lockset, priced at $15, was the primary star of the category for the six months. Sales of 3,832 units generated $61,273.66.

Hardware Distributors services 350 stores, including 141 discount stores in 20 states east of the Mississippi.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	SECURITY HARDWARE			
1	Scovill entrance lockset bra LW5	3,832	15.99	61,273.68
2	Scovill deadbolt sgl bras	1,451	18.99	27,554.49
3	Scovill heavy duty lockset	977	21.99	21,484.23
4	St Marks rim night latch	1,637	6.99	11,442.63
5	Parker single cylinder deadlock	1,050	8.99	9,439.50
6	Master combination padlock 1500C	2,220	4.19	9,301.80
7	Scovill bed/bath lockset bra	931	9.49	8,835.19
8	Weslock entry lock set sunray br	429	18.99	8,146.71
9	Master 1½" warded lam pad	3,354	2.39	8,016.06
10	St Marks double cylinder deadbolt	715	10.99	7,857.85
	HAND TOOLS			
1	Stanley 16' Powerlock tape	2,032	13.99	28,427.68
2	Stanley 6 piece Thrifty sds	5,176	4.99	25,828.24
3	Stanley 12' Powerlock tape	2,361	8.99	21,225.39
4	Arrow staple gun tacker T50	740	21.99	16,272.60
5	Stanley Retractable knife	3,456	4.19	14,480.64
6	Stanley 21" bow saw	1,677	8.49	14,237.73
7	Stanley Mitey knife	6,376	2.19	13,963.44
8	Stanley 26" 8 point cross cut	1,194	11.49	13,719.06
9	Stanley 16-oz claw hammer	1,872	7.29	13,646.88
10	Arrow junior staple gun JT21	1,120	11.99	13,428.80
11	Fuller 6 piece comb wrench set	1,358	9.99	13,356.42

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	POWER TOOLS			
1	Black & Decker 7308 7¼" Circ Saw	1,214	46.99	57,045.86
2	Black & Decker 7127 ⅜" Drill VSR	1,346	27.99	37,674.54
3	Black & Decker 7504 Jig Saw	1,922	17.99	34,576.78
4	Black & Decker 7404 Finishing Sander	980	27.99	27,430.20
5	Black & Decker 7104 ¾" Drill	1,061	20.99	22,270.39
6	Black & Decker 7390 V/P 7¼" DLX Circ	320	64.99	20,796.80
7	Black & Decker 7224 ½ Drill D-Hndl	183	54.99	10,063.17
8	Black & Decker 7436 Fin Sander D/A1/3 S	243	39.99	9,717.57
	POWER TOOL ACCESSORIES			
1	Howard Hde 1008 Twist Drill ⅛	3,916	1.99	7,792.84
2	Rak Pdcts Srat-Cut Guide Kit #35	311	24.99	7,771.89
3	Howard Hde 1130 Twist Drill 13P	549	13.99	7,680.51
4	Howard Hde 1306 13 pc Twist Drill S	804	8.99	7,227.96
5	Howard 6212 7¼ Carb Saw Blade	402	14.99	6,025.98
6	Howard Hde 1170 Twist Drill Set 7 pc	747	7.99	5,968.53
7	Credo Mfg. 10211 7¼" Carb Circ	440	13.39	5,891.60
8	Grt Nk Saw HC7D 7-in-1 Hole saw 1.7	685	8.59	5,884.15
9	Black & Decker 73300 3-N/Blade Set 7¼	460	11.99	5,515.40

These figures for the six months ended June 30, 1982, supplied by Hardware Distributors, Secaucus, N.J., cover 350 stores, including 141 discounters in 20 states east of the Mississippi. Average retail prices reflect typical price points for discount chains.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Woolworth/Woolco Makes Runyon VP

NEW YORK—Robert Runyon has been appointed senior vice president, human resources, of the U.S. Woolworth/Woolco division. He will report directly to Bruce Allbright, chairman and ceo.

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Fishing Gear Buoys Sporting Goods: P. 1

New Items Crank Up Camera Sales: P. 1

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Discount Store News

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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Some Mfrs. Impose Distributional Curbs

By KEN RANKIN

WASHINGTON—Encouraged by softening Reagan Administration prosecution of resale price maintenance (RPM) violations, a growing number of discount store suppliers are attempting to impose anticompetitive distributional restraints on chains, industry lobbyists charged.

Scattered reports of stepped-up efforts by manufacturers to control retail pricing structures have been surfacing for months in the wake of shifting Justice Department and Federal Trade Commission enforcement policies toward Fair Trade-style RPM price fixing activities.

Those charges flared into the open last month as discount industry lobbyists warned top White House officials that many suppliers are brazenly citing pro-RPM Federal antitrust policies as a justification for demanding anticompetitive distributional concessions from chains.

In a letter to key Reagan Administration domestic policy advisors, the Association of General Merchandise Chains charged that discount industry buyers are encountering "a new insistence by suppliers on terms of conditions of sale . . . that may easily have the design or effect of fixing retail prices."

AGMC president Edward Borda, who earlier this summer met with Reagan White House aides in an effort to reverse controversial Justice and FTC policies promoting resale price maintenance activities, didn't name any specific manufacturers in his most recent letter to the President's policy advisors. But he did warn that suppliers of "many product lines" sold in discount stores are beginning to engage in these practices.

The second shoe could drop within the next two weeks with the release of a new industry-wide survey of discount chain execs by the National Mass Retailing Institute, aimed at documenting the upsurge of anti-competitive trade practices.

The preliminary findings of the survey were still being analyzed at presstime, and NMRI officials were keeping the results under tight wraps. But a spokesman for the association

(Continued on page 27)

"The Mexican [customers] will return when the Mexican merchants run out of supplies."
—Sergio Farias.

Plummeting Peso Carries With It A New FedMart Owner's Dream

By BRAD ALTMAN

CALEXICO, Calif.—At 11 o'clock on a mid-August morning, the mercury was soaring toward the century mark in this United States-Mexico border city.

Sergio Farias was driving an air-conditioned car but his temperature also began skyrocketing as he pulled into the FedMart parking lot. It was almost empty.

Shimmering waves of heat bounded off the 1,500-space parking lot which a week earlier had been jammed with cars.

"After seven weeks in business, to be hit by a devaluation," the 52-year-old Farias grumbled. "That's not fair."

The Heat's On

Mexico's greatest financial crisis in years—its second devaluation of the peso in seven months, on Aug. 5—caused a drastic decline in business on the United States side of the border.

The devaluation was especially devastating for Sergio Farias. After 23 years as a FedMart employee, in June he had signed the papers making him president of Sergio Enterprises Inc. The new corporation took over the leases of two FedMart stores—the 115,000-sq.-ft. unit in Calexico and a 40,000-sq.-ft. unit in Yuma, Ariz.

(Continued on page 30)

Lower-Income Customers To Get King's New Focus; 66 Stores Are Closed

By ARTHUR MARKOWITZ

NEWTON, Mass.—KDT Industries plans to return King's to its roots as it reorganizes operations under Chapter XI, according to company officials.

Sixty-six King's stores were closed at presstime, a move that saw the former 182-store chain shutter all its units in Indiana, Kentucky and Tennessee and all but two each in Virginia and North Carolina.

Most stores in Ohio were also closed, along with 23 in New York and New England.

The company expects King's to become a regional discount store chain serving small communities and low- to low-middle-income shoppers, a consumer group abandoned by other discounters in the industry's massive tradeup movement during the past few years, Steven J. Green, chairman and ceo, told *DSN*.

KDT at presstime was moving ahead on three fronts to develop and execute a plan to return to profitable operations:

- The hiring of Alco Enterprises as a consultant on the company's reorganization, and for such other matters as evaluating the stock of stores set to be closed and working with vendors on resupplying ongoing units.

The agreement, approved by KDT's creditors committee, is pending before the Federal Bankruptcy Court for the Southern District of New York where the Chapter XI petition was filed in early August.

- Completing negotiations for a seasonal line of credit for the Christmas period with several lenders. Green said KDT "was in the final stages of the negotiations."
- Presenting a plan for the restocking of stores—to make

(Continued on page 30)

Some Chains Up 2nd-Qtr. Profits But First-Half Results Are Mixed

Nationwide DSN Report

Belt-tightening and conservative buying helped some discount chains score earnings gains for the second quarter, despite consistently slow retail sales.

But a second-quarter profit jump couldn't cut the mustard for many, such as K mart and Heck's, which still finished the first half down.

Discounters went into the year anticipating a weak first half and a much stronger second half. Most are sticking with their original forecasts.

Unseasonable cool weather in June killed any hopes for a warming up of sales during the second quarter. By the start of July chains stepped up promotions and made deep price cuts to quickly clear out summer inventory—which, for most, was bought much lighter than last year.

K mart outperformed Wall Street analysts' forecasts of an earnings drop in the second quarter, reporting profits 6.9% ahead of last year's figure. Earnings reached $60,700,000 on sales of $4.15 billion. Per-share earnings were 45¢.

The gain, which broke a trend of 10 consecutive quarterly profit drops, was partly caused by a jump in licensee fees, higher earnings from the company's interests in Australia and Mexico, plus a gain in currency translations.

Improved margins and ex-

(Continued on page 30)

DSN Digest Sept. 6, 1982

H&BA

- **Skin care gets picked as a hot growth category in the cosmetics/toiletries department.** (p. 6)

HARDWARE

- **Record crowd turns out at annual Hardware Show to hunt for deals and energy-saving products.** (p. 7)

HOUSEWARES

- **Gary Broadhead explains AIM for the best's traditional merchandising approach to the department.** (p. 11)

CATALOG SHOWROOM NEWS

- **Michigan-based Witmark begins phasing in a new computerized merchandising program.** (p. 25)

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HEALTH & BEAUTY AIDS

Skin Care Is Seen Scoring, Aided by Therapeutic Pitch

Promises of therapeutic benefits through use of sun protection factors (SPF) have led to exceptional gains in sunscreen sales. Variations in SPF also mean multiple purchases. Scene is Wal-Mart, Rogers, Ark. *(DSN photo)*

FAIRFIELD, N.J.—A continued emphasis on therapeutic benefits will lead to dramatic growth in skin care sales over the next few years, according to market research by Charles H. Kline & Co., Fairfield.

Of 34 specific cosmetics/toiletries categories, facial cream is expected to be No. 2 in manufacturers' sales by 1986. The category was No. 4 in 1980 and No. 3 in 1981, according to the Kline study.

Improvement Reported

The future of hand and body creams is also bright as more manufacturers plan to stress the importance of total body care on a daily basis. For 1981 the combined performance of hand, body and facial creams reflected a 17% jump in sales over the previous year.

Keys to success in sales growth of all the cosmetics/fragrance categories include innovative packaging and updated formulas as well as promises of protection, according to the Kline report.

Emphasis on the therapeutic benefits of ingredients such as aloe vera, collagen and elastin boosted sales of the entire skin care category by 15% last year—with even greater growth forecast for the future.

More Winners

In the hair care category, conditioners positioned as therapeutic remedies for damaged hair showed the greatest gain—30%—in 1981. Hair conditioners as a whole had a 20% sales boost. Overall, the hair care segment generated 13.8% more sales than in 1980, at the manufacturer level.

Sales of sunscreens, another protection-oriented segment of the market, continued to benefit from consumers heightened awareness of the sun's potentially negative effects. The study cited use of sun protection factors as a sales booster, often promoting multiple purchases.

Important Role

Creative packaging and updated formulations were combined in the concept of liquid soaps in pump dispensers. That combination stimulated tremendous interest during the last couple of years. Gel toothpastes and solid antiperspirant sticks were also cited as creative formulations gaining in sales.

Dial-a-Lash mascara and Dial-a-Tan sunscreen were examples of packaging innovations that spurred sales increases in their respective categories.

1981 Sales Growth of Cosmetics, Toiletries*

Category	1980	1981	Gain
Skin care	$1,684	$1,944	15.5%
Hair care	1,803	2,052	13.8
Fragrances	1,579	1,775	12.4
Nail care	252	282	12.1
Makeup	1,264	1,412	11.7
Oral care	1,143	1,258	10.0
Other	1,695	1,936	14.3

**Manufacturers' sales in millions of dollars.*
Source: Charles H. Kline & Co., Fairfield, N.J.

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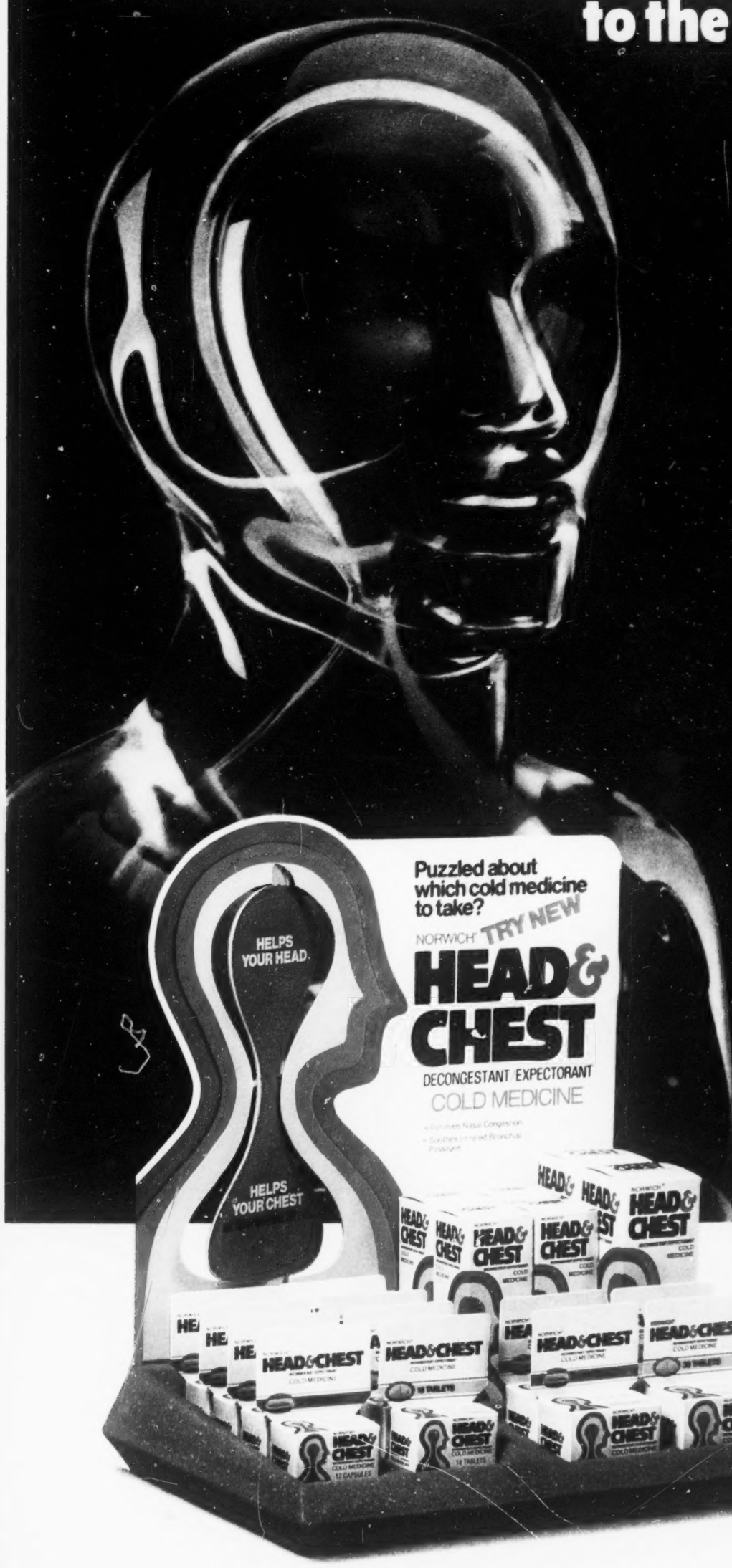

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Plus! Profitable deals including 16⅔% off-invoice. And advertising allowances.

Now you know which cold remedy they'll take. Which you should stock. New Head & Chest. The clear solution!

Read and follow label directions.

HEAD & CHEST

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SPORTING GOODS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	ATHLETIC			
1	Crosman BB/Pellet Gun—760	2,700	39.99	107,973
2	Coleman 2 Burner Stove—425	3,700	24.99	92,463
3	Gott Tote 12—18114	6,100	14.99	91,439
4	Igloo Little Playmate—2371	7,200	11.99	86,328
5	Wilson Chris Evert Racket—2760	2,300	19.99	45,977
6	Penn Tennis Balls—X76YHD	12,400	2.79	34,596
7	Tonka Square Toaster—SSL55	4,600	6.99	32,154
8	MacGregor Moses Malone Bsktbl—X2000	2,700	9.99	26,973
	GUNS			
1	Remington 12ga Auto Shotgun—5336	2,700	399.99	1,079,973
2	Remington 12ga Pump Shotgun—6934	2,400	315.99	758,376
3	Ruger 22 Auto Carbine—10/22RB	4,590	109.99	504,854
4	Winchester 30/30 Lvr Action Carbine—G9412	2,215	209.99	465,128
5	Marlin 30/30 Lvr Action Carbine—336C30	2,200	209.99	461,978
6	Remington 12ga 30" Pump Shotgun—6976	1,100	349.99	384,489
7	Remington 30/06 cal Auto Rfl—4716	990	379.99	376,190
8	Mossberg 12ga Shotgun—600AKT	1,300	199.99	259,987
	FISHING			
1	Daiwa Ultra Light Spncst Cmb—MC238S	16,390	25.99	425,976
2	Zebco/Superior Spncst Cmb—202/245	53,725	6.98	375,001
3	Kwik Stix Graphite Cstng Rod—1430	15,663	22.99	360,092
4	South Bend/Superior Spncst Cmb—130/245	36,000	6.98	251,280
5	Zebco Dlx Poly Spncst Kit—1545	16,000	13.99	223,840
6	Zebco Poly Spncst Kit—1245	22,000	9.99	219,780
7	Shimano Baitcast Reel—BM10SG	4,800	39.99	191,952
8	Ryobi/Kwik Stix Spinning Cmb—SX2N/1620	6,300	26.99	170,037

Source: Maurice Sporting Goods, Chicago, for May 1-July 30, 1982.

Cataloger O. G. Wilson is cashing in on the fitness boom with stationary bicycles, press benches and other exercise equipment, a leading growth area in sporting goods. *(DSN photo)*

Fishing Tackle Still Backbone Of Department

By FRANK J. KATLIN
Executive vice president, Maurice Sporting Goods

After an erratic spring due to a struggling economy, the first half picked up considerably for many leading discounters in sporting goods.

While many chains began the year with cautious optimism, their inventories remained their prime area of concern as the first half reached a close.

Area Important

With the economy still very much uncertain, leisure time activity remains an important area of growth for the consumer. There were several bright spots in an otherwise mediocre spring—fishing tackle remained the backbone of many discounters' sporting goods departments.

By aggressive promoting and keying into identifiable categories, the successful chains were able to maintain sales increases throughout the first half.

This Product Movement Audit shows high-profile rod-and-reel combinations and name brand tackle boxes gaining a wider share of the market as discounters promoted throughout the key spring selling season.

In addition to the current PMA, future ones will be provided for DSN *by Maurice Sporting Goods, a Chicago-based distributor which services over 5,000 outlets in 40 states, 80% of which are discount stores with sporting goods departments.*

Rod-and-reel combinations promoted between $10.99 and $24.99 gained a dominant share of the market. The Daiwa MC2-38 ultralight spincast kit was a strong seller on a national basis, followed by the Zebco 202 spincast reel mounted on a spincast rod.

As for tackle boxes, the audit showed that standard three-tray boxes between $9.99 and $24.99 were strong sellers. The Woodstream 1060 as a promotional tackle box was a big Father's Day item for many mass merchants, while the higher-priced Plano 6300 was strong for many tackle departments.

Pessimistic Attitude

The upcoming fall season reflects a hesitancy on the part of mass merchants to begin with a heavy inventory in arms and ammunition. The outlook, with an unpredictable economy, is for a poor fall gun season due to price increases and marginal return on dollars invested.

Many retailers will begin the fall with modest inventories and buy on a hand-to-mouth basis with distributors carrying the load on a refill basis. Many mass merchants have reduced their gun listings to only the promotional basics in guns such as the Remington 5336 and the Ruger 10/22RB.

The next Product Movement Audit will recap the summer selling season, and anticipate trends that are noteworthy for fall.

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There's a variety of low-power terrestrial and astronomical models for the beginner or student as well as high-power refractor and reflector telescopes for the advanced student or hobbyist.

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All are beautifully designed and precision-tooled to deliver your customers performance and years of enjoyment. Many models have an array of accessories to give you follow-up sales.

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Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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Woolco uses dramatic posters in its prototype's signing to promote "a new spirit in fashion." In November, sportswear endorsed by model Christie Brinkley (at right in inset) will hit Woolco stores. *(DSN photo)*

Discounters Eye $72.6B; Top 10 Gain

Nationwide DSN Report

The discount department store industry is projected to tally a 9% sales increase in 1982 to $72.6 billion, including food sales, according to *DSN*'s annual survey of the industry.

The gain, which will see sales in general merchandise hit $66.6 billion, comes in a year with the fewest ever new store openings and in a year that saw the top 10 chains take a larger share of total volume.

The number of stores operating during 1982 is 8,282, an increase of 118 units, and the number of chains is falling slightly to 259. Last year, there ere some 428 new stores opering.

The top 10 chains, lead by mart with sales expected to reach $18.4 billion, control 47.6% of the market or some $34.6 billion. Last year, the top 10 chains had a 45.6% share of the market, according to *DSN* estimates.

The projected increase may well end up on the conservative side as first-half results come in much stronger than anticipated for some key chains.

Discounters are still sticking with their original forecasts made early in the year that pointed to a much revived economy for the second half.

Sales of general merchandise will hit $66.6 billion in 1982.

K mart outperformed Wall Street's expectations for the second quarter by reporting profits up 6.9%, the gain breaking a string of 10 consecutive quarterly drops. K mart is projected to have a sales increase

(Continued on page 128)

Latest Woolco Prototype Ups Apparel Decor

NEW YORK—The remodeling wheels continue to turn at Woolco.

Next month, the chain will have unwrapped 20 units in its new upscaled prototype format that puts a bigger-than-life focus on fashion and apparel presentation.

The prototype format was installed in the units during the course of the summer, including

(Continued on page 128)

Christie Brinkley Line Created For Woolco

By BETTY J. TAYLOR

NEW YORK—Move over Cheryl and Jonny, Christie's coming.

In the vein of in-house, private-but-status name brand labels developed by Sears with Cheryl Tiegs and K mart with Jonathan Logan, Woolco is emerging with a ladies' apparel program built around what it hopes will be the highly recognizable name (and fame) of model Christie Brinkley.

Brinkley, a model with the Ford agency in New York and the Nina Blanchard agency in California, is most noted for her recent *Sports Illustrated* summer swimwear poses.

Kayser-Roth, the New York apparel manufacturer responsible for both the Sears Tiegs and K mart Logan lines, is developing the Brinkley label.

While Woolco is mum on the subject, Brinkley's press secretary Fran Caciano said the "Christie" line of sportswear will hit Woolco stores in mid-November.

Sawdon & Bess advertising agency in New York, which is handling the account, said advertising—including an extensive television campaign—would break with the delivery. The agency wouldn't disclose at presstime the size of the account, but a spokesman said Woolco "has made a major commitment" to back the line, including eight-page color brochures and films for in-store

(Continued on page 128)

Catalogland Is Found Ripe For Expansion

NEW YORK—The catalog showroom industry has plenty of room to grow.

That's the basic conclusion of a 120-page study of catalogers, focusing on 11 publicly held chains that spark most of the industry's growth, released at presstime by Lehman Brothers Kuhn Loeb Research.

The key finding of the study is that "the catalog showroom industry is nowhere near saturation. In fact, there are 18 major metropolitan markets where there are no catalog showrooms at all."

The study lists the 20 most saturated metro markets and notes that in these areas "showrooms generate sales per household of $170 or more . . . (with) sales averaging $206 per

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Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

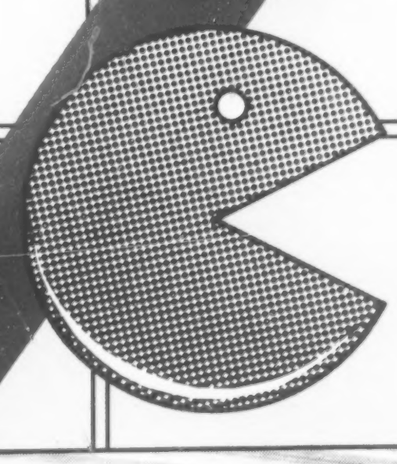
1982-83 DISCOUNT STORE CENSUS

State of the Discount Store Industry

	As of Calendar Year Ended 12/31/81	Projected for Calendar Year Ending 12/31/82
Square footage	576,215,000	583,911,000
Net Gain in Square Footage	30,124,000	7,696,000 (1.3%)
Stores	8,164	8,282
Net Gain in No. of Stores	428	118
Annual Sales Incl. Food[1]	$66.6 Billion	$72.6 Billion
General Merchandise Sales	$61.1 Billion	$66.6 Billion
Average Sales/Sq. Ft./Yr.[1]	$115.58	$124.32
Average Sales/Sq. Ft., General Merchandise	$106.04	$114.04
Average Sales/Store/Year	$8,157,766	$8,765,999
Average Store Size	70,580 sq. ft.	69,395 sq. ft.

[1] Includes supermarket sales, when under same roof, for calendar 1981, 1982.
(Source: DSN Research)

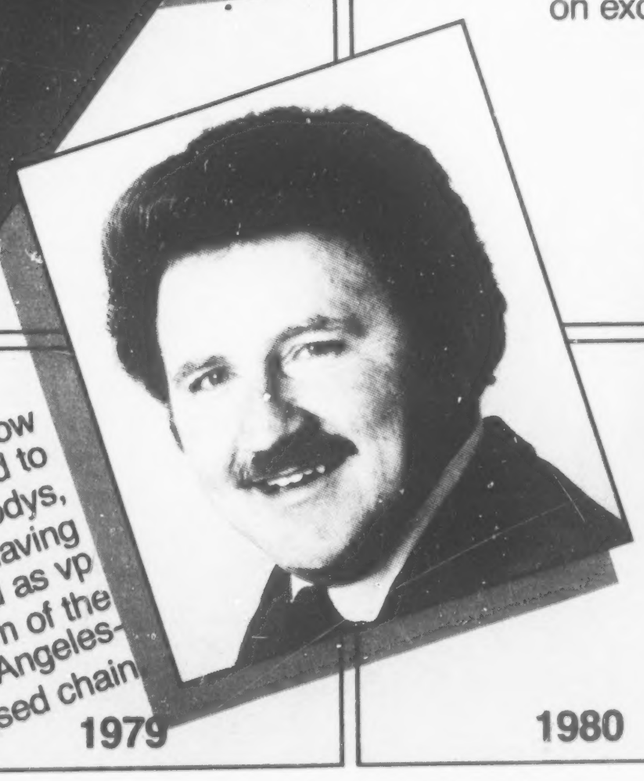
Harold Smith, former executive vp and gmm of Arkansas-based Magic Mart, moves up as president of Woolco.



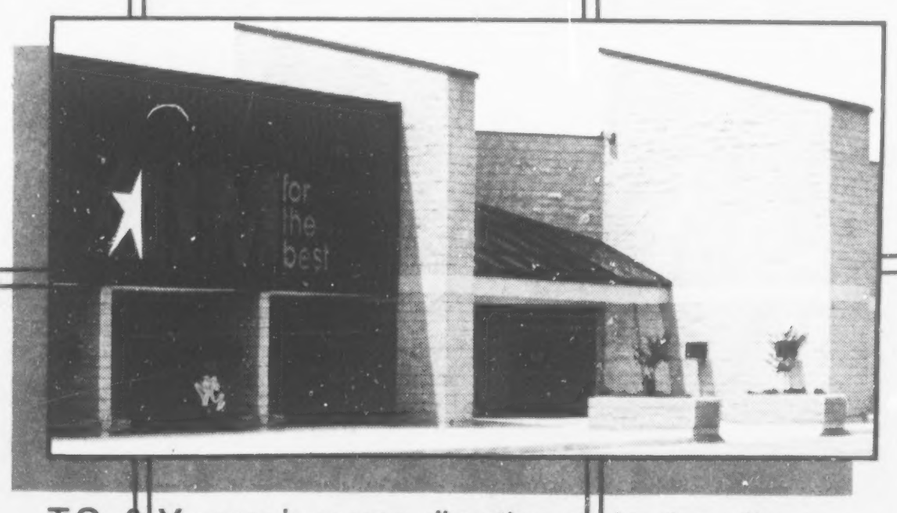
Licensed characters munch consumer dollars in almost every category from wearables to housewares.

K mart makes a change in its apparel approach, taking on exclusive rights to the Jonathan Logan label.

Target picks up along the way 33 California FedMarts to mark its entry into the state.



Frank Anslow is elevated to president of Zodys, after having served as vp and gmm of the Los Angeles-based chain.



T.G. & Y. goes in a new direction and spins off a new division, AIM for the best.

1978 1979 1980 1981 1982

$50 Billion $56 Billion $60.5 Billion $66.6 Billion $72.6 Billion

Total Volume (including supermarket sales)

Discount Store Census '82/'83

Projections For the $25 Million-Plus Club

Rank	Chain (HQ state in parenthesis)	Estimated Volume (in millions)			No. of Stores			Total Sq. Ft. (Add 000)		
		Proj. General Merchandise $ Current Fiscal Yr. (Including Leased Depts.)*	General Merchandise $ Previous Fiscal Yr. (Including Leased Depts.)*	Net Earnings in millions Previous Fiscal Yr.	1/82	12/82	To Be Added, 1983	1/82	12/82	To Be Added, 1983
1	K mart (Mich.)	18,435[a]	16,592	222.2	2,055	2,125	80	119,500	123,436	4,480
2	Wal-Mart (Ark.)	3,500	2,495	82.8	491	555	80	23,921	27,000	4,000
3	Target (Minn.)	2,398	2,054	108.7[b]	151	167	40	14,679	16,234	3,888
4	Woolco (N.Y.)	2,257[c]	2,145	(19.0)[b]	349	329	9	25,400	23,944	720
5	Gemco (Calif.)	1,922	1,780	—	86	92	6	9,518	10,184	660
6	T.G. & Y. (Okla.)	1,803	1,595	67.0[b]	553	574	8	19,104	20,240	750
7	Zayre (Mass.)	1,665	1,465	41.2[b]	258	266	8	18,200	18,800	600
8	Hills (Mass.)	910	790	—	93	100	—	7,440	8,000	—
9	Caldor (Conn.)	895	779	—	74	79	10	6,600	7,031	890
10	Bradlees (Mass.)	886	719	—	91	106	2	6,273	7,356	133
11	Meijer (Mich.)	848	800	—	48	49	—	5,860	5,930	—
12	Fred Meyer (Ore.)	720	600	—	65	68	3	5,650	6,000	450
13	Roses (N.C.)	700[d]	595	8.2	173	184	10	7,480	8,000	480
14	Venture (Mo.)	680	612	16.8[b]	44	47	—	5,335	5,544	—
15	Cook United (Ohio)	639	584	9.7[b]	118	119	—	6,712	6,756	—
16	Jefferson/Ward (Fla.)	600	550	—	51	51	—	5,410	5,410	—
17	Murphy's Mart (Pa.)	560	496	—	106	111	2	5,030	5,150	169
18	Zodys (Calif.)	536	419	—	48	55	3	2,757	3,069	174
19	Alexander's (N.Y.)	528	485	—	16	16	—	3,855	3,855	—
20	Gold Circle (Ohio)	500	397	—	36	50	1	4,352	6,000	—
21	Fedco (Calif.)	457	408	—	7	7	—	900	900	—
22	Ames (Conn.)	395	344	9.9[d]	110	118	10	4,262	4,534	350
23	Payless (Ore.)	825	758	16.7	143	146	5	4,290	4,370	130
24	ShopKo (Wis.)	376	337	—	32	36	—	1,900	2,137	—
25	Times Square (N.Y.)	364	325	—	14	14	—	2,300	2,300	—
26	Pamida (Neb.)	350	334	16.1[b]	173	168	4	3,456	3,472	120
27	Heck's (W. Va.)	350	272	—	96	122	—	4,386	5,573	—
28	Jamesway (N.J.)	346	305	4.2	64	68	4	3,660	3,907	232
29	Howard Bros. (La.)	334[e]	304	—	100	103	—	3,540	3,646	—
30	Richway (Ga.)	318	266	—	23	30	6	2,452	3,198	485
31	S. E. Nichols (N.Y.)	264	242	(0.4)	43	43	—	3,900	3,900	—
32	Grand Central (Utah)	255	236	1.5	32	32	—	2,024	2,024	—
33	King's (Mass.)	250[e]	741	(52.0)	182	116	—	11,151	7,381	—
34	ALCO (Kan.)	196	187	5.2[b]	80	81	3	2,378	2,405	81
35	Harts (Ohio)	194	178	—	23	25	—	1,610	1,750	—
36	Bi-Mart (Ore.)	190	168	—	26	30	3	780	900	90
37	Ann & Hope (R.I.)	188	168	—	4	5	1	750	930	—
38	Fishers Big Wheel (Pa.)	180	165	—	68	68	—	2,275	2,275	—
39	Clover (Pa.)	180	151	—	15	17	—	1,000	1,111	—
40	Danners (3D) (Ind.)	158	121	11.7[b]	34	35	—	1,525	1,553	—
41	Prange-Way (Wis.)	131	117	—	23	24	—	1,225	1,235	—
42	Gee Bee (Pa.)	130	120	3.9[b]	22	24	—	1,409	1,538	—
43	Quality Stores (Mich.)	125	114	—	25	25	—	750	750	—
44	Gaylords (N.J.)	124	118	0.5[b]	35	37	—	2,000	2,114	—
45	Value City (Ohio)	118	110	—	17	17	—	1,700	1,700	—
46	Magic Mart (Ark.)	117	112	—	48	48	—	1,536	1,536	—
47	Smitty's (Ariz.)	110	94	—	20	20	—	2,200	2,200	—
48	Rich's (Mass.)	105	94	—	12	12	1	740	740	62
49	Sky City (N.C.)	100	85	—	68	72	1	2,720	2,880	40
50	Modell's (N.Y.)	93	85	—	6	6	—	750	750	—
51	J. W. Mays (N.Y.)	92[e]	189	(0.1)	9	4	—	1,982	925	—
52	Gibson (Odessa, Tex.)	84	70	—	10	10	1	919	919	60
53	Maloney (Ky.)	81	58	1.5[b]	35	44	5	659	790	139
54	David's (Kan.)	80	74	(1.3)	8	6	—	491	360	—
55	G.I. Joe (Ore.)	70	60	—	7	7	1	385	385	55
56	The Fair (Mass.)	62	57	—	7	8	—	550	600	—
57	Swallen's (Ohio)	60	90	—	9	6	—	1,040	693	—
58	Van Leunen's (Ohio)	54	49	—	6	6	—	380	480	—
59	Click (Ohio)	51	45	—	9	10	—	1,075	1,195	—
60	Monte Mart (Calif.)	50	45	—	3	3	—	213	213	—
61	Laneco (Pa.)	50	46	—	13	15	—	1,200	1,314	—
62	J-Hawk (Tex.)	48	46	—	17	17	—	850	850	—
63	The Andersons (Ohio)	47	43	—	3	3	—	175	175	—
64	Grandpa Pigeon (Mo.)	47	44	—	5	5	—	315	315	—
65	Copps (Wis.)	44	42	—	16	16	—	960	960	—
66	Lee Shops (Mass.)	44	42	—	9	9	—	480	480	—
67	Giant Way (Mich.)	43	41	—	15	15	—	560	560	—
68	West & Co. (La.)	40	45	—	35	33	1	700	660	20
69	Valley Fair (N.J.)	39	38	—	2	2	—	270	270	—
70	Lloyd's (N.Y.)	37	35	—	3	3	—	283	283	—
71	Bargain Town (Ala.)	37	35	—	40	40	2	820	820	36
72	Matco (Mo.)	35	34	—	15	15	—	365	365	—
73	Wonder World (Nev.)	34	33	—	4	4	—	440	440	—
74	Shopper's World (Tex.)	34	32	—	43	45	—	1,024	1,071	—
75	Treasure City (N.Y.)	33	31	—	13	10	—	535	412	—
76	Kingsway (Mich.)	31	30	—	2	2	—	247	247	—
77	Mars (Mass.)	30	27	0.3	7	7	—	415	415	—
78	Jack's (Ill.)	29	26	—	6	6	—	215	215	—
79	Magic Mart (Va.)	28	24	—	9	10	1	310	345	35
80	J. A. Conley (Ohio)	26	25	—	12	13	2	320	347	50

Chains included on this list are multiunit operators with corporate sales in excess of $25 million.

**Some figures are DSN estimates. Projected sales are for discount stores' general merchandise only, and don't include supermarket sales.*
[a]7Volume includes U.S. and Canadian K marts; earnings are for entire corporation, including variety and specialty stores.
[b]7Operating income.
[c]7U.S. Woolco only.
[d]7Sales and earnings include volume from variety stores.
[e]7Operating under Chapter XI.

Discount Store Census '82/'83

Discounters Phase in More Sophisticated

Discounters are phasing in more sophisticated electronic data processing equipment and programs.

Discounters' extensive use of main-frame computers at headquarters, and electronic registers and backroom terminals at store level, is evident from a recent National Retail Merchants Association-Touche Ross report titled *POS Trends in the 80's*.

Among the findings concerning discounters, the study, which covered POS terminals and related systems throughout the retailing industry, reported:

- Forty-six per cent of the discount respondents had full POS installations in their stores, just two percentage points behind conventional department stores.
- Thirty-two per cent of the discounters had a partial POS setup, while only 22% didn't have any POS installation.
- The number of POS terminals per discount store ranged from two to 85, with 18 the mean and 14 the median.
- Breaking down the POS systems per store by type, the full POS set ranged from two to 85, with 23 as the mean and 18 as the median. The partial POS setup ranged from two to 23, with 12 as the mean and 10 as the median.
- Total cost of installing a POS system ranged from $97,000 to $18 million, with $5,295,000 as the mean and $2,685,000 as the median.
- Installation costs on a per-POS terminal basis ranged from $2,000 to $91,000, with $11,200 as the mean and $5,700 as the median.
- The installation methods included: 8% on a department-by-department basis, 88% on a store-by-store system and 32% in several units concurrently.
- Handling the installation were EDP executives, 64%, special projects executives, 20% and store operation executives, 20%.
- POS enhancements planned by discounters are mainly in the merchandising and inventory (68%) and administrative functions (64%) areas.
- Fifty per cent of the discounters use machine-readable tickets/labels. Of those chains, 53% use an off-line ticket reader, 40% wand or read at point-of-sale and 7% scan at point-of-sale.
- Fifty-seven per cent believe that electronic communications (using computers) between chains and vendors would be beneficial, but only 27% are either now doing so or plan to do it within two years, and 68% don't have any plans for this.

Discounters accounted for 7% or 37 out of the 525 companies surveyed. K mart and Woolco/Woolworth were counted among the eight full-line national chains covered in the report and their responses aren't part of the discounters' percentages.

While K mart wasn't included among the discounters, the industry's leading chain has undertaken a number of activities that underscore the EDP moves under way at a number of companies.

K mart, for example, expects to have all its stores on its computerized communication system by this fall. Plugging all stores into KIN—an acronym for K mart Information Network—will also enhance the discounter's use of electronic mail by which its main-frame computer transmits orders direct to the computers of selected vendors.

KIN was first used to communicate store accounting and financial data to headquarters when the system was launched four years ago. The initial steps to transmit selected merchandise movement information have now been expanded as the discounter phases in minicomputer backroom controllers. They are generating a growing number of purchase orders, based on the merchandise information being captured at more and more stores.

Reasons For Changing POS Equipment

New Capabilities	71.0%
Product Obsolescence	71.0
Poor Vendor Support	35.0
New Store Openings	35.0
Cost	17.6
Complexity	5.9
Other	29.0

Source: POS Trends in the 80's

The backroom controllers obtain sales and unit movement information from the discounter's electronic registers—which capture a small amount of hard lines sku numbers keyed in by salesclerks—and from wand scanning of UPC-marked shelf tags for the remaining hard goods categories and from scanning of magnetic tickets used for apparel.

The shelf tag scanning program is also due to go chainwide by the end of 1982. This effort has a UPC-marked label that includes a predetermined reorder quantity as part of the bar code. The tag also has a human readable minimum inventory level number; once the stock falls below this level, the clerk scans the tag to reorder.

Hills, which has had a sophisticated POS system in its stores for a number of years, is also installing backroom equipment to boost productivity.

The plan being phased in calls for two terminals and one printer for each store to handle electronic mail communications

POS *Merchandising* Benefits Received By Discounters Not Initially Expecting Them

Reduced Inventory Levels	14%
Increased Inventory Turn	14
Reduced Markdowns	5
Increased Gross Margins	5

Source: POS Trends in the 80's

POS *Operational* Benefits Received By Discounters Not Initially Expecting Them

Faster Information	11%
More Accurate Information	50
Reduced Sales Audit	25
Additional Sales Information	8
Reduced Data Entry	7
Ability to Handle Peak Seasons	8
Improved Salesperson Productivity	8
Improved Store Image	17
Improved Payroll and Commission Data Collection	4
Reduced Shrinkage	7
Increased Sales	14

Source: POS Trends in the 80's

K mart Dividend

TROY, Mich.—The board of K mart has approved a dividend of 25¢ per share to be paid on Sept. 13, 1982, to holders of record on Aug. 20, 1982.

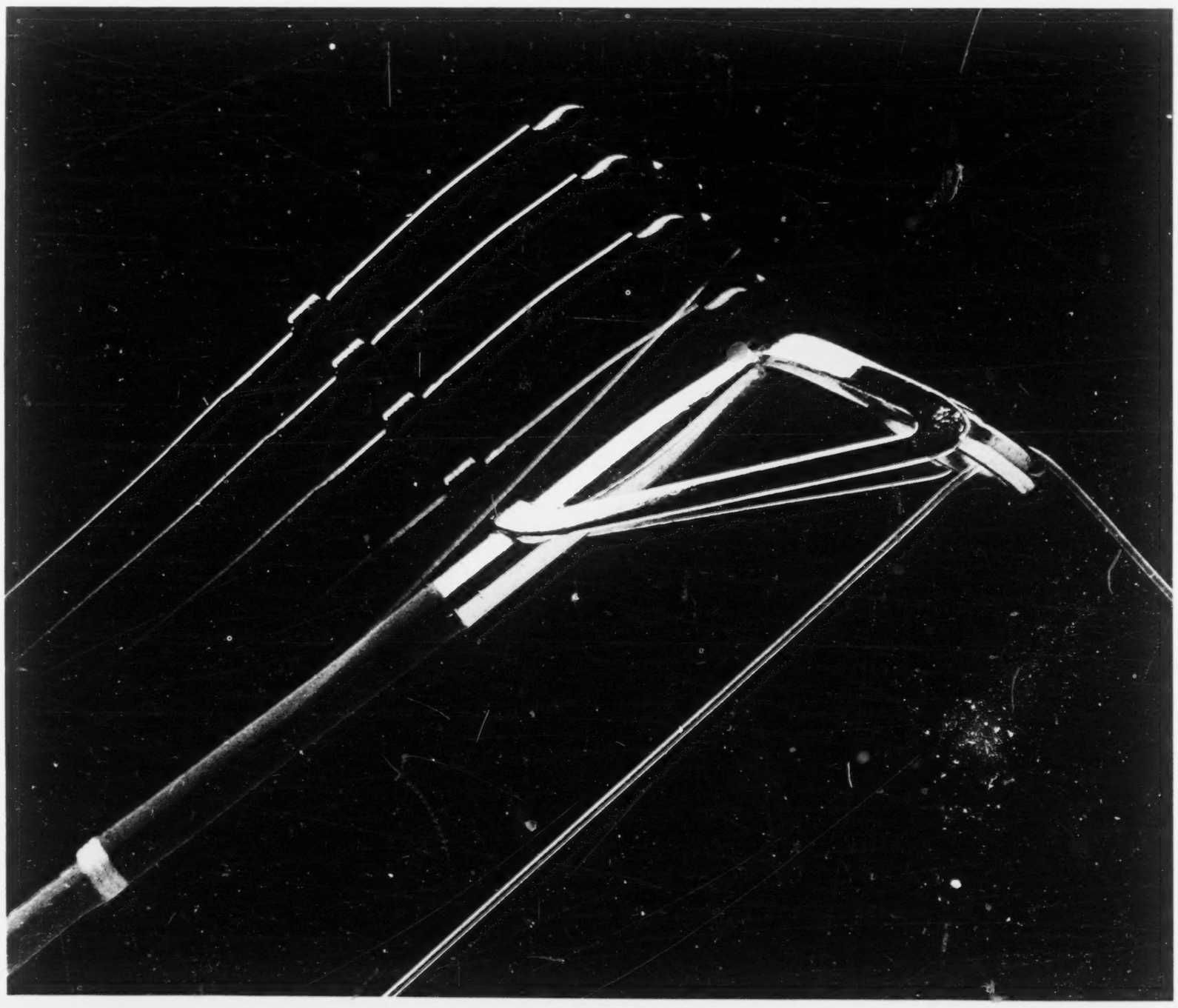
Strike

Daiwa introduces the Strike Rod.

Now you can offer the biggest breakthrough since the graphite rod: A top-quality graphite rod for less than $30 retail.

The Daiwa Regal Strike.

Superb, unidirectional graphite construction from tip to butt gives your customers the performance of graphite. At the price of fiberglass.



Discount Store Census '82/'83

EDP Equipment and Programs, Poll Finds

among units and between the store and headquarters. One benefit would be speeded up price change information, which now is sent via regular mail to each store.

The discounter last month installed a new main-frame computer at headquarters that has three times the combined power of the three older computers that were replaced. While the cost of the new equipment is about the same as that of the old computers, the new equipment has so much greater MIPS (million instructions per second) capability that the discounter gains from lowering its per MIPS cost.

Clover's moves include expanding its sku-numbered merchandise from about 40% of its mix to 98% by the end of the year to provide price look-up capability at the POS terminals starting in 1983. The terminals are on-line to the main computer; credit card authorization was added earlier when the computer was tied in to the central bank card file maintained by banks in the chain's markets.

Assigning sku numbers to all goods except for such items as greeting cards which would be marred by paste-on tags means that the discounter can develop department, category and item sales information for the hard lines areas that are joining apparel.

Checkout clerks can look up prices via the POS terminals as the registers are on line to the computer which will maintain this information for all sku-numbered goods.

The ultimate goal of the computerization moves under way at many discounters is summed up by Zayre's aim: developing a paperless merchandising system that will use electronic equipment to track merchandise from the placement of orders with manufacturers to the receiving of goods at warehouses and stores through the final sale to consumers, which will start the cycle again by automatically triggering new orders.

Electronic register setup in ShopKo includes use of Micro/Minicomputer Regulator, on shelf below POS, to monitor flow of electricity and guard against voltage changes that could damage computer equipment.

The discounter is using a team of in-house computer experts called Business Systems Interface (CSI) to oversee this long-range project.

CSI's most recent accomplishment was developing a "pull" replenishment program for basic merchandise in which store managers reorder basic goods. Managers used the minicomputer in their stores to track movement of basics and then to communicate the actual reorder to the warehouse serving that unit.

Putting reordering of basics in the hands of managers allowed Zayre to maintain centralized control over the two types of merchandise—fashion and promotional goods—that are subject to such variables as changes in style and deals from manufacturers.

The electronic equipment that is now a vital component of discounters' merchandising and operations at the store level is dependent on a steady source of electric power to remain operational.

Interruptions and variations in electric power that can disrupt and even wipe out the information captures by a POS terminal or a backroom controller present a problem for discounters.

ShopKo has addressed this problem by using two devices: a Micro/Minicomputer Regulator, which maintains the required line and load voltage, and a portable uninterruptable power source (UPS), which supplies electricity in case of blackouts.

The Micro/Minicomputer Regulator uses a constant voltage transformer to control voltage fluctuations, even in cases where brownouts cause voltage to drop as low as 65% of the required amount for extended periods.

The UPS uses a battery to provide a full load of power for 10 minutes, and is automatically recharged to full potential when electricity is restored.

POS Terminal Systems Used

Cash Register	97%
Register Balance	90
SKU Data Capture	79
On-line Transmission of Sales Transaction to a Store Minicomputer	62
Capture of Sales Transaction For Processing on a Central Computer via Transmission to Computer	59
Price Look-up	59
Print Descriptions on Sales Slips	52
Report Processing at Store Minicomputer or Terminal	52
Layaways	48
Inventory	48

Source: POS Trends in the 80's

Discounters noted more than two dozen uses for their POS systems. The top 10 uses and the percentages cited are listed in the chart.

it rich.

Daiwa introduces the Strike Force.

Joe Montana, San Francisco 49ers
Larry Bird, Boston Celtics
Willie Stargell, Pittsburgh Pirates
Bobby Allison, NASCAR Champ
Nolan Cromwell, Los Angeles Rams

Joe Montana, Larry Bird, Willie Stargell, Bobby Allison and Nolan Cromwell will be telling millions of anglers why the Strike rod is their choice.

And they'll be backed by the largest media blitz for a product introduction in Daiwa's history. With over 40 million people seeing the athletes' testimonies on how the Strike rod outperformed all other rods in its price category.

Daiwa introduces the Strike $3 Intro Offer

Fishermen can get $3 back on every Regal Strike rod. Which means you can advertise the Strike for $3 less at retail. And still make the profit on the full retail price.

With the Strike program you've got a top-quality graphite rod at fiberglass prices. The Strike Force to sell it for you. And the $3 Intro Offer.

That's the kind of program that'll bring customers to your store. Looking for Strike rods.

So don't let them off the hook. Make sure you're well-stocked.

Daiwa®
Rods and reels. Made for each other.

For more information send a postcard to: Daiwa Corporation, Department SRT-83, 14011 South Normandie Avenue, Gardena, CA 90249

Mfrs. Up Sales Of Video Items

WASHINGTON—Sales of major video items to retailers took off in July compared to a year ago, with the exception of projection televisions.

Color video camera sales climbed by 63.6% to 25,851 units, compared to 15,806 in July 1981, according to the Electronics Industries Association's Consumer Electronics Group. For the first 30 weeks of this year the increase topped 83%.

Home video cassette recorder sales to retailers jumped 61.5% over the year-earlier period, to 141,496 vs. 87,636. For the 30-week period the increase was 39.8%.

Overall, television sales to dealers also picked up during July. Color sets showed a 6.5% increase to 825,410 units. Although black and white sets showed a 7.3% increase for the month, sales for the year dropped 2.5%. Color TV sales for the year rose only 2.2%.

Sales of projection televisions dropped 29.5% for the month, with 7,726 units sold to retailers. The total for the 30-week period showed a drop of 12.7%.

Discount Store Census '82/'83

Discounters' Store Count, Sales Projected For the Top Fifty Metropolitan Markets

RANK	METRO MARKETS	(b) Proj. No. of Stores Dec. '82	No. of Stores Dec. '81	(b) Proj. Sq. Footage (add 000)	(a) Proj. $ Discount Store Sales (add 000)	(c) Population (add 000)	Density (Sq. Ft. Per Person)	(c) No. of Households (add 000)	Effective Buying Income Per Household
1	New York	89	95	6,295	$ 780,174	8,991	0.70	3,514,700	$26,043
2	Los Angeles	120	131	8,478	1,051,920	7,558	1.12	2,780,700	26,878
3	Chicago	169	182	11,682	1,481,454	7,131	1.64	2,538,600	29,240
4	Philadelphia	112	112	7,910	981,792	4,698	1.68	1,665,000	26,887
5	Detroit	68	70	4,861	596,088	4,329	1.12	1,534,400	29,197
6	Boston	100	110	6,691	876,600	3,659	1.83	1,323,800	27,277
7	San Francisco	64	59	4,507	561,024	3,281	1.37	1,316,700	29,551
8	District of Columbia	50	46	3,525	438,300	3,083	1.14	1,146,000	33,191
9	Dallas-Fort Worth	93	89	6,554	815,238	3,082	2.13	1,138,300	28,741
10	Houston	81	74	5,709	710,046	3,073	1.86	1,110,100	30,752
11	Nassau-Suffolk, N.Y.	56	56	3,986	490,896	2,615	1.54	829,200	34,279
12	St. Louis	50	50	3,530	438,300	2,353	1.52	854,200	25,371
13	Pittsburgh	76	71	5,360	666,216	2,240	2.39	838,700	24,205
14	Baltimore	41	38	3,071	359,406	2,193	1.40	780,900	24,174
15	Minneapolis-St. Paul	43	38	3,030	376,938	2,146	1.41	795,800	26,101
16	Atlanta	35	29	2,463	306,810	2,110	1.17	766,000	25,276
17	Anaheim	59	63	4,137	517,194	2,026	2.04	736,600	30,573
18	San Diego	35	42	2,481	306,810	1,956	1.27	718,600	24,297
19	Newark	36	41	2,548	315,576	1,948	1.31	681,600	31,621
20	Cleveland	50	48	3,530	438,300	1,870	1.89	700,100	26,767
21	Miami	41	40	2,892	359,406	1,751	1.65	640,300	24,384
22	Denver	31	30	2,187	271,746	1,694	1.29	654,100	26,492
23	Tampa-St. Petersburg	37	37	2,886	324,342	1,654	1.74	683,100	19,098
24	Riverside-San Bernardino	26	31	1,842	227,916	1,645	1.12	591,100	22,885
25	Seattle	43	41	3,035	376,938	1,644	1.85	644,400	26,138
26	Phoenix	34	37	2,403	298,044	1,618	1.49	598,300	22,994
27	Cincinnati	56	56	3,961	490,896	1,406	2.82	511,400	24,749
28	Milwaukee	50	50	3,542	438,300	1,399	2.53	513,000	25,510
29	San Jose	44	41	3,133	385,704	1,341	2.37	486,900	35,087
30	Kansas City	43	41	3,034	376,938	1,339	2.27	508,400	26,474
31	Portland	37	34	2,659	324,342	1,277	2.08	501,200	23,989
32	Buffalo	38	38	2,681	333,108	1,223	2.19	448,600	23,622
33	New Orleans	55	53	3,879	482,130	1,214	3.20	438,900	25,880
34	Indianapolis	46	26	3,223	403,236	1,176	2.74	430,800	25,033
35	Columbus, Ohio	44	49	3,113	385,704	1,107	2.81	412,100	25,203
36	San Antonio	60	55	4,227	525,960	1,103	3.83	367,200	24,298
37	Fort Lauderdale	38	36	2,682	333,108	1,082	2.48	453,500	25,534
38	Sacramento	24	22	1,692	210,384	1,056	1.60	411,900	24,958
39	Hartford	30	27	2,114	262,980	1,052	2.01	380,700	28,521
40	Salt Lake City	29	29	2,056	254,214	973	2.11	316,800	22,743
41	Rochester, N.Y.	26	24	1,835	227,916	982	1.87	350,700	27,956
42	Memphis	31	28	2,182	271,746	927	2.35	324,600	23,613
43	Louisville	33	31	2,338	289,278	912	2.56	334,000	24,100
44	Nashville	53	51	3,748	464,598	873	4.29	317,900	23,126
45	Providence	27	27	1,906	236,682	869	2.19	318,700	23,764
46	Birmingham	42	40	2,962	368,172	861	3.44	315,100	22,064
47	Oklahoma City	28	27	1,964	245,448	857	2.29	327,200	25,994
48	Greensboro	24	26	1,591	210,384	843	1.89	311,900	22,410
49	Dayton, Ohio	20	25	1,438	175,320	826	1.74	306,100	25,146
50	Norfolk	30	28	2,116	262,980	820	2.58	276,000	23,171

(a) Sales are projected for total sq. ft. including connected supermarkets expected to be in operation at the end of the calendar year, using industry average sales-per-square-foot figures.
(b) DSN estimates.
(c) From the 1982 Sales & Marketing Management *survey of buying power.*

Discount Store Census '82/'83

Discountland: 21-Year Record of Growth

YEAR	TOTAL SALES IN BILLIONS	TOTAL STORES	NET GAIN OF STORES	TOTAL SQ. FT. IN MILLIONS	DOLLARS PER SQ. FT.	AVG. SALES PER STORE IN MILLIONS	AVG. STORE SIZE IN THOUSANDS OF SQ. FT.
1982	$72.60	8,282	118	584	$124.32	$8.77	69.40
1981	66.60	8,164	428	576	115.58	8.15	70.58
1980	60.50	7,736	470	546	110.79	7.82	70.60
1979	55.00	7,266	375	513	107.15	7.57	70.60
1978	50.00	6,891	353	490	101.95	7.26	71.11
1977	47.00	6,538	396	468	100.00	7.19	71.58
1976	44.00	6,142	606	442	99.00	7.16	71.96
1975	38.00	5,536	126	399	95.00	6.86	72.07
1974 (a)	34.40	5,410	448	389	88.00	6.40	71.90
1973	31.50	4,962	248	350	88.32	6.27	70.54
1972	28.15	4,720	376	344	81.83	5.96	72.88
1971	25.60	4,344	333	306	83.66	5.89	70.44
1970	22.50	4,011	398	276	81.52	5.61	68.81
1969	18.44	3,613	306	244	75.57	5.10	67.53
1968	16.35	3,307	302	222	73.64	4.94	67.13
1967	13.61	3,005	321	199	68.39	4.53	66.22
1966	11.51	2,684	236	171	67.30	4.29	63.71
1965	9.82	2,448	219	151	65.00	4.01	61.68
1964	8.46	2,229	60	136	62.20	3.79	61.01
1963	7.51	2,169	144	122	61.55	3.46	56.25
1962	6.00	2,025	—	107	56.00	2.96	52.84

(a) Reflects 18-month period ended Dec. 31, 1974.

(Source: DSN Research)

70% of Makers Export Products, Survey Reports

INDIANAPOLIS—The Household Products Export Council, an organization formed under the auspices of the U.S. Department of Commerce, completed a survey which concluded that 70% of the manufacturers polled are currently exporting their products.

The study queried 770 manufacturers in the housewares, hardware, appliance, home center and furniture industries.

Responding firms currently exporting ranked the best export markets, in order of importance, as: Western Europe, Latin America, the Middle East, Asia/Far East, Australia/New Zealand, Africa and Eastern Europe.

The Other View

Only 4% of the responding firms said better than 30% of their business was done in foreign markets; 23% did 6%-10%; 60% did less than 5% of total volume in exports.

Nearly half the reporting companies (47%) expected their export sales to increase in the future; 18% saw them as declining.

The results of the survey included:

- Housewares: 390 manufacturers responded; 68% currently export, and 16% were interested in developing an export business.
- Cookware: 86% of the firms responding already export; the remainder were not interested in exports.
- Portable Appliances: Exports were being done by 90% of the responding firms.
- Major Appliances: 67% were exporting with another 7% interested in exporting in the future.
- Hardware: Almost 80% of the 140 firms responding export; another 11% were interested in exporting in the future.
- Furniture: Only 35% of the responding firms export; another 20% were interested in future export sales.

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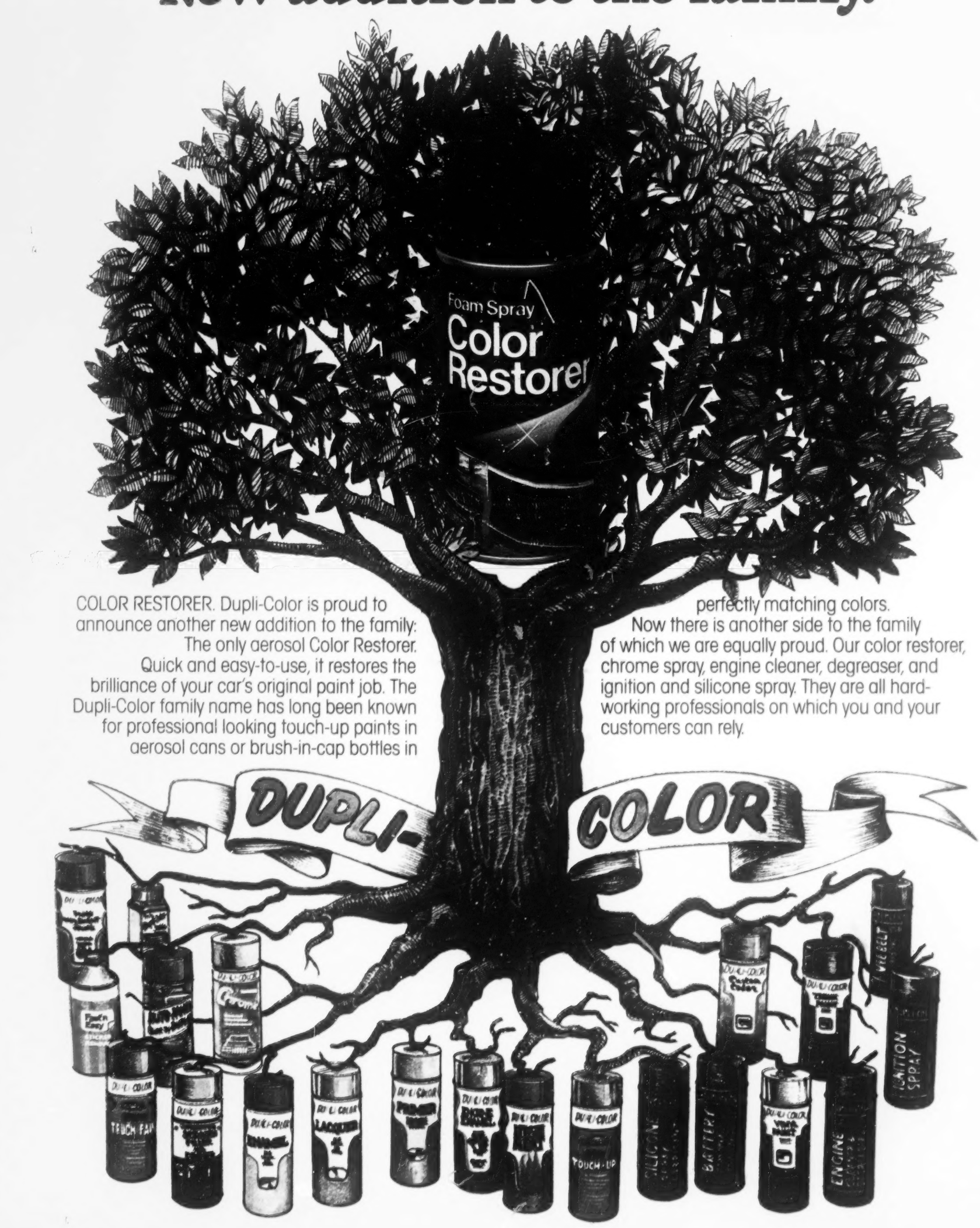
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Southeastern States Hold Lead in Stores With 1,808

Region	Proj. No. Disc. Stores Dec. '82	No. Disc. Stores Dec. '81	No. Disc. Stores Dec. '80	% Gain (Loss) 1982	Proj. Sq. Footage Dec. '82 (add 000)	Sq. Ft. Dec. '81 (add 000)	Sq. Ft. Dec. '80 (Add 000)	% Gain (Loss) 1982
SOUTHEAST Ala., Fla., Ga., Ky., Miss., N.C., S.C., Tenn., Va., W. Va.	1,808	1,740	1,595	3.9	122,623	117,841	107,680	4.1
EAST CENTRAL Ill., Ind., Mich., Ohio, Wis.	1,605	1,593	1,541	0.7	118,389	117,586	113,918	0 7
SOUTHWEST Ariz., Ark., La., N.M., Okla., Tex.	1,291	1,242	1,143	3.8	80,120	76,651	69,664	4.5
MIDDLE ATLANTIC D.C., Del., Md., N.J., N.Y., Pa.	1,243	1,249	1,216	(0.4)	100,098	99,757	97,361	0.3
WEST CENTRAL Iowa, Kan., Minn., Mo., Neb., S.D., N.D.	790	770	723	2.6	53,876	52,443	49,132	2.7
PACIFIC Alaska, Calif., Hawaii, Ore., Wash.	681	707	687	(2.0)	51,052	52,856	51,446	(3.5)
NEW ENGLAND Conn., Me., Mass., N.H., R.I., Vt.	613	622	602	(1.4)	41,521	42,215	40,804	(1.7)
MOUNTAIN Colo., Idaho, Mont., Nev., Utah, Wyo.	251	241	229	4.1	16,202	15,507	14,661	4.5

The Southeastern States continue to lead the industry with the highest concentration of discount stores, 1,808 or 22% of the total.

Through the 70's the East Central States—Illinois, Indiana, Michigan, Ohio and Wisconsin—led the field. In 1979, for example, the five-state region held 20% of the industry's then 7,266 units. This year, the area accounted for 19% of the 8,282 stores in the industry.

The largest gain this year was made by the Southwestern region—Arizona, Arkansas, Louisiana, New Mexico, Oklahoma and Texas—as T.G. & Y., Target, K mart and Wal-Mart all built up their store bases in the area. The Southwestern states edged out the Middle Atlantic States for third place.

Next year, the area should grow even larger. Wal-Mart has already announced its plans to open almost half of the 80 new stores slated for next year in the state of Texas. Other chains also have plans for the area. Obviously, new-store growth is riding closely on the coattails of the country's population shifts.

The Southwest region now contains 16% of the industry's stores.

Downward Spiral

The Middle Atlantic States—Delaware, Maryland, New Jersey, New York, Pennsylvania and the District of Columbia—which posted the smallest gains last year, are down half a percentage point this year. The decline in store count is in part due to the closing of King's stores, many of which are expected to be picked up by other chains by the end of the year.

The shuttering of the remainder of the FedMart chain's 68 units wasn't offset either by new openings by large chains like Fred Meyer and Zodys or the birth of new discounting independents who picked up several of the stores. The region finished the year with 26 stores fewer than it had a year ago for a final count of 681. (The FedMart stores recently bought by Target won't be opened until early 1983.)

In New England, 61 store closings by King's took its toll on the industry and was only partially offset by openings by Ann & Hope, Caldor, Bradlees and K mart.

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Discount Store Census '82/'83

Discount Store Population, Sales Projected on State-by-State Basis

STATES	Proj. No. of Stores Dec. '82	No. of Stores Dec. '81	Proj. Square Footage Dec. '82 (Add 000)	Square Footage Dec. '81 (Add 000)	Density (Square Foot Per Person)	Projected Net Gain (loss) '82		*Projected 1982 Discount Store Sales		** Total Retail Sales (Add 000)	Per Cent of Total Retail Sales
						No. Stores	Footage (Add 000)	Including Supermarkets (Add 000)	General Merchandise Only (Add 000)		
Alabama	196	190	11,207	10,791	2.82	6	416	$1,718,136	$1,576,232	$15,183,499	10.3
Alaska	3	3	240	240	0.59	0	0	26,298	24,126	2,590,348	0.9
Arizona	101	95	7,526	7,110	2.59	6	416	885,366	812,242	11,930,355	6.8
Arkansas	220	211	10,777	10,152	4.59	9	625	1,928,520	1,769,240	9,879,829	17.9
California	480	511	37,444	39,595	1.53	(31)	(2,151)	4,207,680	3,860,160	118,937,068	3.2
Colorado	95	91	6,465	6,187	2.14	4	278	832,770	763,990	15,018,886	5.1
Connecticut	166	164	12,423	12,284	3.99	2	139	1,455,156	1,334,972	14,104,957	9.5
Delaware	26	26	1,960	1,960	3.27	0	0	227,916	209,092	2,901,199	7.2
D.C.	4	4	298	298	0.47	0	0	35,064	32,168	2,563,554	1.2
Florida	271	260	22,665	21,902	2.19	11	763	2,375,586	2,179,382	53,491,914	4.1
Georgia	180	173	15,476	14,990	2.80	7	486	1,577,880	1,447,560	24,007,819	6.0
Hawaii	21	21	1,085	1,085	1.11	0	0	184,086	168,882	4,810,119	3.5
Idaho	29	28	1,679	1,610	1.70	1	96	254,214	233,218	4,479,198	5.2
Illinois	354	357	25,608	25,846	2.23	(3)	(208)	3,103,164	2,846,868	51,723,145	5.5
Indiana	282	279	18,939	18,731	3.42	3	208	2,472,012	2,267,844	23,724,711	9.6
Iowa	134	129	8,220	7,873	2.80	5	347	1,174,644	1,077,628	14,164,259	7.6
Kansas	143	139	8,433	8,155	3.52	4	278	1,253,538	1,150,006	11,143,084	10.3
Kentucky	180	170	11,046	10,352	2.95	10	694	1,577,880	1,447,560	15,512,085	9.3
Louisiana	181	175	10,033	9,617	2.32	6	416	1,586,646	1,455,602	17,807,217	8.2
Maine	47	50	2,662	2,870	2.32	(3)	(208)	412,002	377,974	5,282,693	7.2
Maryland	117	113	8,938	8,660	2.09	4	278	1,025,622	940,914	21,596,785	4.4
Massachusetts	261	266	17,295	17,642	3.00	(5)	(347)	2,287,926	2,098,962	27,759,004	7.6
Michigan	253	250	21,135	20,927	2.26	3	208	2,217,798	2,034,626	43,786,627	4.6
Minnesota	139	137	8,885	8,746	2.15	2	139	1,218,474	1,117,838	19,721,240	5.7
Mississippi	135	130	6,877	6,530	2.66	5	347	1,183,410	1,085,670	8,706,586	12.5
Missouri	210	206	20,031	19,753	4.03	4	278	1,840,860	1,688,820	22,740,257	7.4
Montana	22	21	1,319	1,249	1.64	1	69	192,852	176,924	4,100,098	4.3
Nebraska	96	93	5,211	5,003	3.28	3	208	841,536	772,032	7,350,816	10.5
Nevada	35	33	2,589	2,450	3.04	2	139	306,810	281,470	5,222,610	5.3
New Hampshire	70	72	4,143	4,351	4.34	(2)	(139)	613,620	562,940	4,912,319	11.5
New Jersey	207	213	20,494	20,078	2.77	(6)	(416)	1,814,562	1,664,694	33,994,652	4.9
New Mexico	83	81	4,872	4,664	3.58	2	139	727,578	667,486	6,229,443	10.7
New York	442	451	36,908	37,608	2.11	(9)	(625)	3,874,572	3,554,564	72,661,338	4.9
North Carolina	204	196	13,788	13,233	2.29	8	555	1,788,264	1,640,568	23,788,814	6.9
North Dakota	33	33	1,598	1,598	2.43	0	0	289,278	265,386	3,403,498	7.8
Ohio	566	562	41,174	40,896	3.80	4	278	4,961,556	4,551,772	46,994,649	9.7
Oklahoma	152	147	8,649	8,302	2.78	5	347	1,332,432	1,222,384	15,005,002	8.1
Oregon	93	90	6,001	5,793	2.20	3	208	815,238	747,906	13,861,576	5.4
Pennsylvania	447	442	31,500	31,153	2.65	5	347	3,918,402	3,594,774	49,719,316	7.2
Rhode Island	39	39	3,293	3,293	3.47	0	0	341,874	313,638	3,682,235	8.5
South Carolina	126	121	8,086	7,739	2.52	5	347	1,104,516	1,013,292	12,695,328	8.0
South Dakota	35	33	1,528	1,320	2.18	2	139	306,810	281,470	3,336,266	8.4
Tennessee	193	186	11,386	10,900	2.52	7	486	1,691,838	1,552,106	18,728,542	8.3
Texas	554	533	38,263	36,806	2.59	21	1,457	4,856,364	4,455,269	80,394,593	5.5
Utah	40	40	2,663	2,663	1.78	0	0	350,640	321,680	6,080,650	5.3
Vermont	30	31	1,705	1,775	3.26	(1)	(69)	262,980	241,260	2,262,004	10.6
Virginia	202	196	14,939	14,453	2.73	6	416	1,770,732	1,624,484	26,163,900	6.2
Washington	84	82	6,282	6,143	1.47	2	139	736,344	675,528	20,122,352	3.4
West Virginia	121	118	7,153	6,945	3.59	3	208	1,060,686	973,082	8,606,006	11.3
Wisconsin	150	145	11,533	11,186	2.42	5	347	1,314,900	1,206,300	20,189,375	6.0
Wyoming	30	28	1,487	1,348	2.98	2	139	262,980	241,260	2,984,838	8.1

* *DSN estimate based on average volume per square foot, and projected square feet for the calendar year.*

** *Total retail sales are taken from the 1982* Sales & Marketing Management *survey of buying power.*

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Discount Store Census '82/'83

Trend to Smaller New Stores Is Growing

SQUARE FOOTAGE	Projected Dec. 31, 1982		As of December 31, 1981		% Change in No. of Stores Projected 1982 vs. 1981
	No. of Stores	% of Total	No. of Stores	% of Total	
10,000 to 19,999	638	7.7	634	7.8	+ 0.6
20,000 to 29,999	555	6.7	552	6.8	+ 0.5
30,000 to 39,999	696	8.4	689	8.4	+ 1.0
40,000 to 49,999	1,023	12.4	985	12.1	+ 0.4
50,000 to 59,999	783	9.5	766	9.4	+ 2.2
60,000 to 69,999	871	10.5	884	10.8	– 1.5
70,000 to 79,999	617	7.4	605	7.4	+ 2.0
80,000 to 89,999	906	10.9	885	10.8	+ 2.4
90,000 to 99,999	326	3.9	316	3.9	+ 3.2
100,000 to 119,999	1,353	16.3	1,340	16.4	+ 1.0
120,000 to 139,999	185	2.2	178	2.2	+ 4.0
140,000 to 149,999	57	0.7	61	0.7	– 7.0
150,000 to 199,999	190	2.3	187	2.3	+ 1.6
200,000 and larger	82	1.0	82	1.0	NC
TOTAL	8,282	100.0	8,164	100.0	+10.4

NC = No change

Source: DSN research

For the second year in a row, discounters opened more stores in the 40,000-49,000-sq.-ft. size range than in any other configuration.

Thirty-two per cent of the 118 stores netted by the industry in 1981 were in this size range—evidence that discounters are sticking to their promises and their blueprints to lower operating costs in the 80's by downscaling their stores.

The 40,000-49,000-sq.-ft. category currently accounts for 1,023 stores or 12% of the industry. It is the second largest size category and is rapidly gaining ground on the size leader, the 100,000-119,999-sq.-ft. stores which were the mainstay of the industry in the 70's.

The range owes much of its current popularity to Wal-Mart whose ambitious store expansion plans call for approximately 63 stores in this size bracket to be opened during 1982 and another 80 during 1983.

More Stores

Roses, Murphy's Mart and Heck's are adding another 40-odd stores to this category during the year—although many of them are takeover units, like Heck's takeover of the Singleton Stores, and therefore don't add to the store count of the industry.

In the larger ranges, Target's opening of 16 new stores this year swells the 100,000-119,-999-sq.-ft. bracket. It doesn't plan to reopen the 33 FedMarts it recently acquired until 1983. Many of those former FedMarts, however, will not reopen to their full previous size. Target will be sharing space with the Ralphs supermarket chain in several locations.

FedMart's closing along with shutterings by King's, Twin Fair, Mays Family Centers and others account for a net loss in the 60,000-69,999-sq.-ft range.

K mart continues to open stores in the 50,000-59,999-sq.-ft. range with approximately 70 to go on-stream this year, although most of them are takeovers. T.G. & Y.'s plans to open approximately 20 stores in this size range also contributes to gains made by this bracket.

Stores under 60,000 sq. ft. now account for 45% of the industry, while stores above 100,-000 sq. ft. comprise under 23% of the industry.

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Discount Store Census '82/'83

Discounter Salaries Found Highest in West

NEW YORK—If you're embarking on a retailing career with a discount chain, consider heading west for a merchandising spot in women's apparel.

That's where salary levels are now the highest, according to surveys by Roth Young Personnel Service, one of the country's largest retail placement services with 29 offices across the country.

David Roth, president of the company, said, "Traditionally, the East and the West Coast have been like bookends, the high ends in base salary levels for all positions."

Promising Area

He added that one of the significant revelations of the five-year salary review by region, developed specifically for *DSN*, was that in every position examined the Southern states showed the most dramatic salary increases.

The base salary for trainees in the South jumped 49% since 1977; buyers, 46%; merchandise managers, 48%, and district managers, 48%.

While the survey showed the South and the Midwest catching up to the East and West Coast in salaries, in all four positions the West Coast was still at the head of the pack.

The East had the lowest salary growth in each retailing career level. As a result, the East wound up as lower paying than the South for trainees and buyers. The region paid less than the South, Midwest and West at the district manager level, but the East retained its 1977 rank as the second highest paying region for merchandise managers.

The buyer/merchandise manager salary survey by merchandise area showed that discounters are paying more for apparel merchandising talent, particularly in the women's areas.

Merchants in the women's dress and sportswear departments received the highest base compensation at the low, median and high levels. Fashion accessory buyers were the lowest paid group.

The survey,however, showed greater differences between the salaries of soft lines and hard lines merchandise managers than between soft lines and hard lines buyers.

Women's ready-to-wear merchandise managers were way ahead with compensation starting at about $38,000 and topping out at $70,000. The closest salary contenders were the men's and boys' apparel merchandise managers at starting salaries of $31,000 with the potential for around $60,000.

The Other View

In contrast, merchandise managers in hard lines, major appliances and home furnishings had a salary potential up to the $56,000 area.

Roth said, "Salaries at almost all levels have been going up about 9% a year for the past three years with cost-of-living, chain size, profitability and competition for people all reflected in whether compensation is at the lower or higher end of the salary range."

He also pointed out that pressure for big jumps in salaries has been countered by discounters' efforts to hold the salary line.

Although 80% of Roth Young's placement is with discounters, Roth also sees more two-way traffic between conventional department stores and discounters.

"In the past there was more crossing over from the conventional to the discount store. But, the department store prejudice against taking people from discounters is beginning to crumble. The conventionals are looking more closely at an individual's talents, instead of focusing primarily on his retail background."

Discount Stores: Salary Survey Of Buyer, Merchandise Managers*

BUYERS	Low (Add 000)	Median (Add 000)	High (Add 000)
Men's/Boys'/Apparel	$24-$31	$31-$37	$38-$40
Women's (Coats, Suits)	25- 30	32- 38	40- 42
Women's (Dresses, Spts.)	27- 35	36- 41	43- 53
Fashion Accessories	22- 27	29- 32	33- 36
Footwear	25- 33	34- 40	40- 46
Hard Lines	24- 30	31- 40	41- 45
Major Appliances	24- 27	28- 34	35- 40
MERCHANDISE MANAGERS			
Men's/Boys'/Apparel	31- 40	41- 46	50- 60
Women's RTW	38- 40	45- 52	60- 70
Hard Lines	32- 38	40- 44	45- 56
Major Appliances	30- 38	40- 42	44- 56
Home Furnishings	30- 38	40- 42	44- 56

**Base salary data gathered from discounters across the country in 1981; collated and released in 1982.*

Source: Roth Young Personnel Service Inc., **Mass Retail Industry 1982 Wage & Salary Review**

Discount Stores: 5-Year Salary Review by Region

Position	Region	Salary: 1977*	1982*	% Increase
Trainees	East	$ 9,875	$12,700	29
	Midwest	8,525	11,400	34
	South	8,725	13,025	49
	West	10,800	14,250	32
Buyers	East	23,525	29,650	26
	Midwest	21,100	28,900	37
	South	22,925	33,400	46
	West	24,650	35,000	42
Mdse. Mgrs.	East	29,900	37,000	24
	Midwest	25,850	34,000	32
	South	24,600	36,500	48
	West	32,475	41,500	28
District Mgrs.	East	20,325	25,000	23
	Midwest	22,500	30,125	34
	South	17,725	26,525	49
	West	22,625	31,000	37

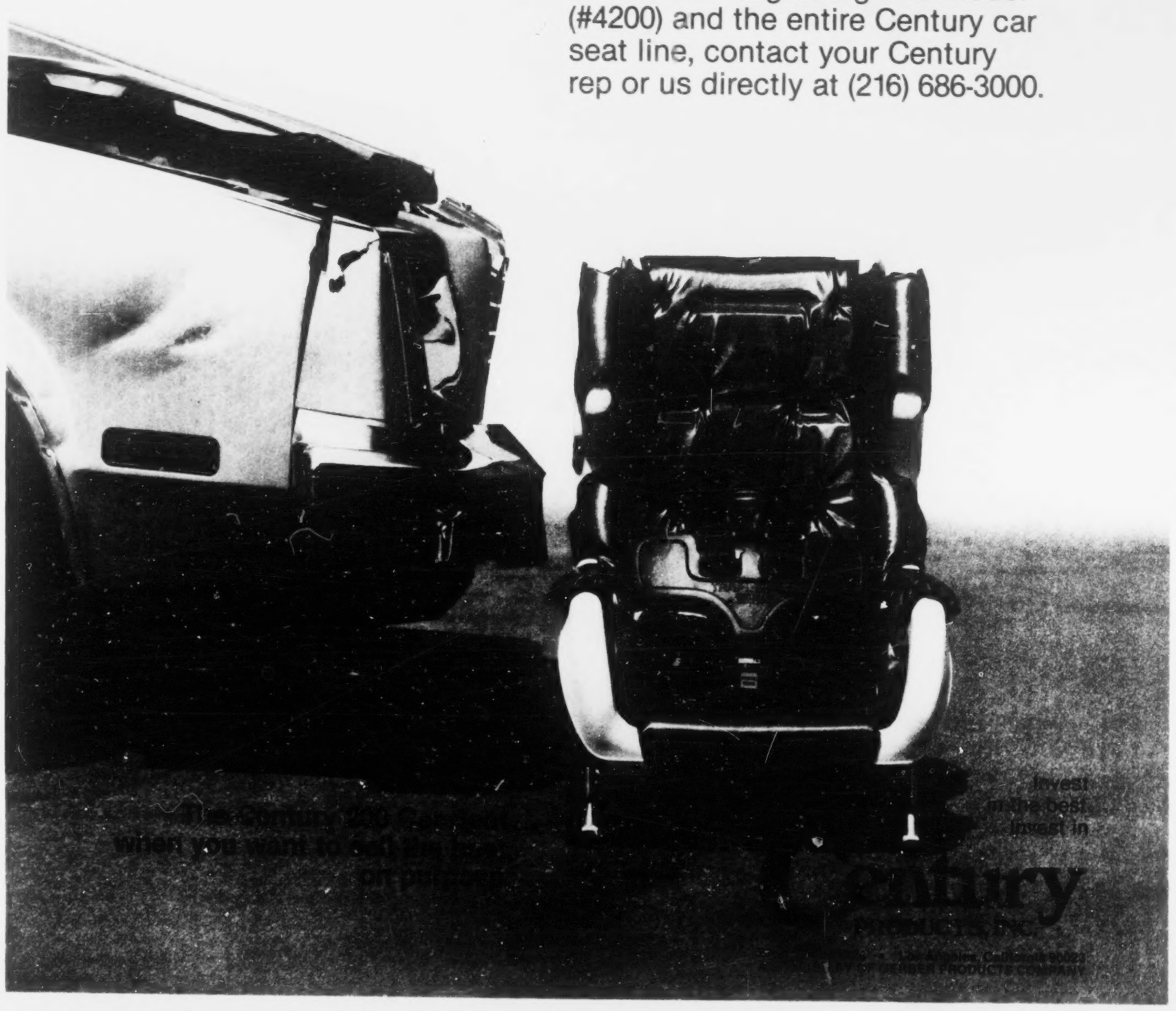
**Salaries listed were drawn from actual job placements and represent the average base compensation of the majority placed in each position. Those placed at a typically high salary levels weren't included in the average.*

Source: Roth Young Personnel Service Inc.

IT'S NO ACCIDENT WE'RE #1

These days it's certainly rewarding to be in a business where you're selling *safety* as much as *quality.* By carrying the Century 200 Car Seat, the top rated safety car seat in the country, you can be confident in knowing you are giving your customers what they want most–the best seat available! For comfort, convenience and optimum protection, the Century 200 outnumbers the competition.

Meets Federal Safety Standard 213-80; comes with a full color lifesize point-of-sale. For more information regarding this model (#4200) and the entire Century car seat line, contact your Century rep or us directly at (216) 686-3000.



Discount Store Census '82/'83

FedMart Top Single-Market TV Spender in 1st Quarter

NEW YORK—The big spenders for television advertising in single markets for the first quarter were either going out of business; located in the Sunbelt, and/or supporting new and expanding markets.

According to the Television Bureau of Advertising, FedMart—which was conducting going-out-of-business sales—catapulted to the top of the charts as No. 1 local TV advertiser in a single market.

FedMart's first-quarter spending of $779,700 was a 185% increase over the same period last year, and was more than twice the TV expenditures of its Los Angeles discount competition.

Gemco, with a 47% increase in spending during the first quarter, ranked No. 2 among the top 15 and No. 2 in the Los Angeles market.

The competitive heat in Los Angeles during this period tumbled Fred Meyer into third place nationwide. This chain had finished 1981 as the top local-TV spender in a single market with its aggressive budget of close to $2 million in its home base of Portland.

With FedMart's exit from the Los Angeles market, TV spending measurements for the second half of 1982 will, no doubt, show Gemco and Zodys jockeying for the top position.

In Los Angeles, the chain currently in residence will be squaring off with another aggressive TV advertiser in 1983 when Target enters the market.

Important Role

First-quarter results are a clear indication of the heavy TV advertising support Target gives its new stores. The chain made the top 15 list with $286,200 spent in Dallas/Fort Worth and $166,400 spent in Houston.

In Dallas/Fort Worth, Wal-Mart, another relative newcomer to the market, increased its spending by 178% and slightly outspent Minneapolis-based Target.

Target was, however, the only chain in the Houston market to rank among the top 15 with its first-quarter TV budget at $166,400, a 283% increase.

Wal-Mart snared four of the top 15 spots with large TV budgets in the chain's expanding markets of Dallas/Fort Worth, Shreveport, Nashville and Oklahoma City.

The local TV spending tally by market for the first quarter showed a big shift from the top 15 listing for the full year of 1981.

Last year, three major northern markets were represented among the top 15: New York, Boston and Chicago. Chains in these markets took six of the top 15 places.

This year, so far, only Fortunoff in New York made the list of the top 15 spenders in a single market. All the rest were located in the West or the Southeast.

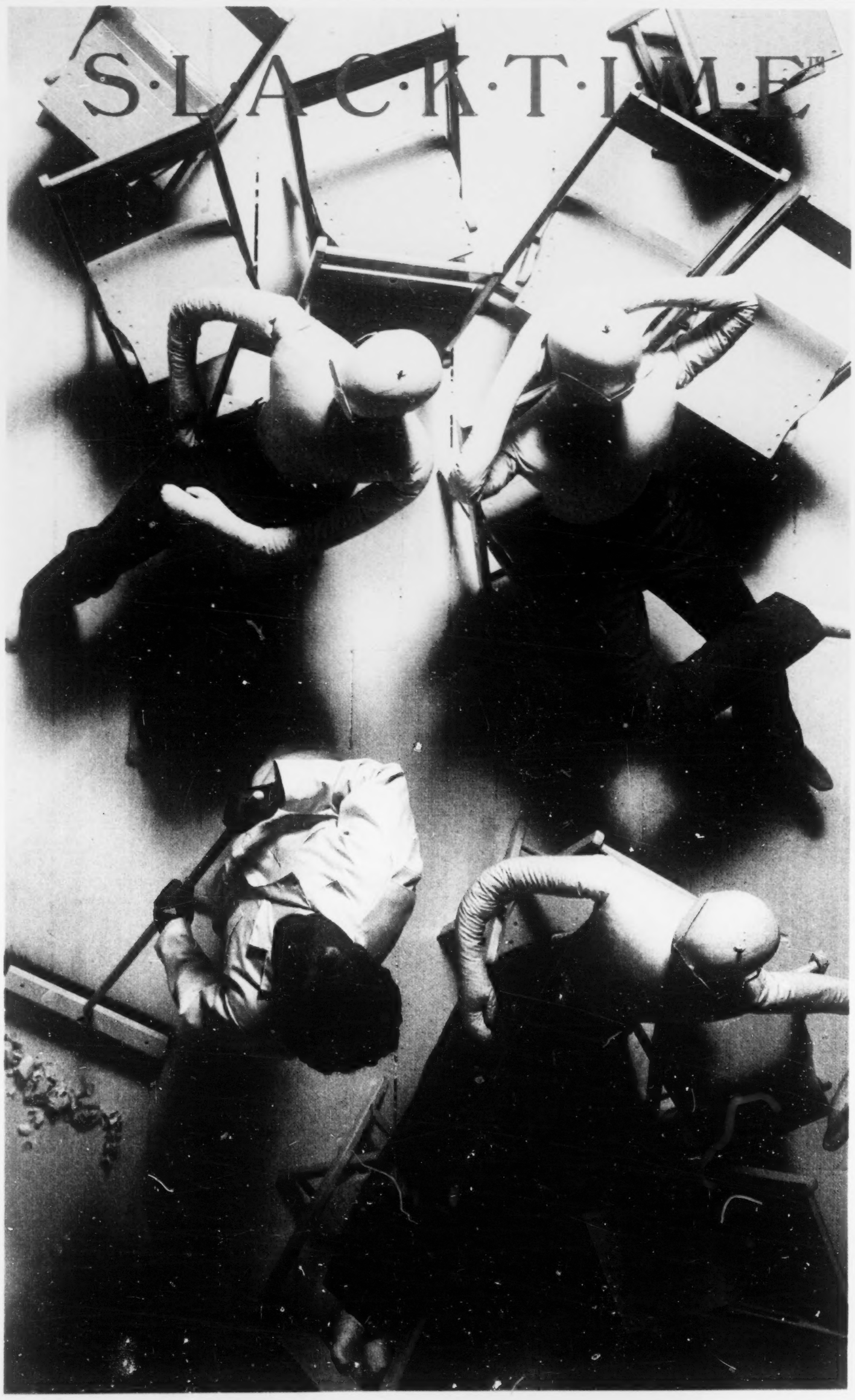
Just as interesting, it was discount chain TV spending in such smaller markets as Shreveport, Nashville and Charlotte that toppled such chains as Bradlees in the Boston market and Venture in Chicago from the top 15 list.

Top 15 Discount Chains: Local TV Advertisers in a Single Market*

Chain	Market	Jan./Mar. '81	Jan./Mar. '82	% Change
FedMart	Los Angeles	$ 273,200	$ 779,700	+185
Gemco	Los Angeles	247,900	364,500	+ 47
Fred Meyer	Portland	338,800	338,600	-0-
Wal-Mart	Dallas/Fort Worth	112,100	311,600	+178
Target	Dallas/Fort Worth	—	286,200	+inf.
Wal-Mart	Shreveport	63,700	255,900	+302
Zodys	Los Angeles	175,300	242,500	+ 38
FedMart	San Diego	169,900	229,100	+ 35
Fortunoff	New York	56,800	222,000	+291
Wal-Mart	Nashville	37,600	198,100	+427
Gemco	San Francisco	119,300	177,300	+ 49
Richway	Charlotte	30,200	175,100	+480
Wal-Mart	Oklahoma City	38,000	174,200	+358
Target	Houston	43,500	166,400	+283
Smitty's	Phoenix	152,000	159,300	+ 5
Total Top 15		1,858,300	4,080,500	+120

*National chains (K mart and Woolco, for example) aren't included. Most co-op activity is credited by BAR to the manufacturer and not to the chain advertisers.

Source: Television Bureau of Advertising based on Broadcast Advertisers Reports (BAR) figures.



Cowden's going to help you clean up next spring with a new line of men's and boys' slacks.

Slacktime is a brand new brand from Cowden. A line of casual slacks in a rainbow of lush spring colors, and the most popular easy-care fabrics. They're cut so stylishly, made so well, for today's fashion conscious consumer. Available in popular men's and boys' sizes. If they're from Cowden they're American-made, of course. So, order now and you can have them for spring. Then, sit back and watch your customers come alive.

Cowden Company
300 New Circle Rd., N.W.
Lexington, KY 40511
606-254-6627

10 West 33rd St.
Room 710
New York, NY 10001
212-564-4204

S·L·A·C·K·T·I·M·E

COWDEN
S·I·N·C·E 1·9·1·9

An Interco Company

Wal-Mart No. 1 '81 Outlayer of Local TV $$

NEW YORK—Wal-Mart was the biggest discount store spender in local spot television advertising in 1981, and the chain continued to hold the No. 1 position during the first quarter of 1982.

Figures just released by the Television Bureau of Advertising show Wal-Mart's spending for the first quarter increased to $1,733,500, a 127% gain over the same period last year.

The only discounter to boost its local TV budget more than Wal-Mart during the first quarter was Target. Its 227% increase brought spending up to $1,104,000. This figure put Target in the No. 3 spot among the top 15 local TV advertisers in discountland.

Second place was taken by FedMart. The chain finished 1981 in seventh position among the top 15. But, its going-out-of-business sales during the first quarter of 1982 were accompanied by a 65% increase in local television spending. This pushed the chain near the top of the list, just behind Wal-Mart.

Advertising Procedures

Wal-Mart, FedMart and Target, the top three, were the only chains to spend more than $1 million during the first quarter; Wal-Mart pushed close to the $2 million mark.

If Wal-Mart continues to increase its local TV expenditures at the same rate of increase as it chalked up in the first quarter, it will finish 1982 with spending well beyond the $7,327,300 spent in 1981.

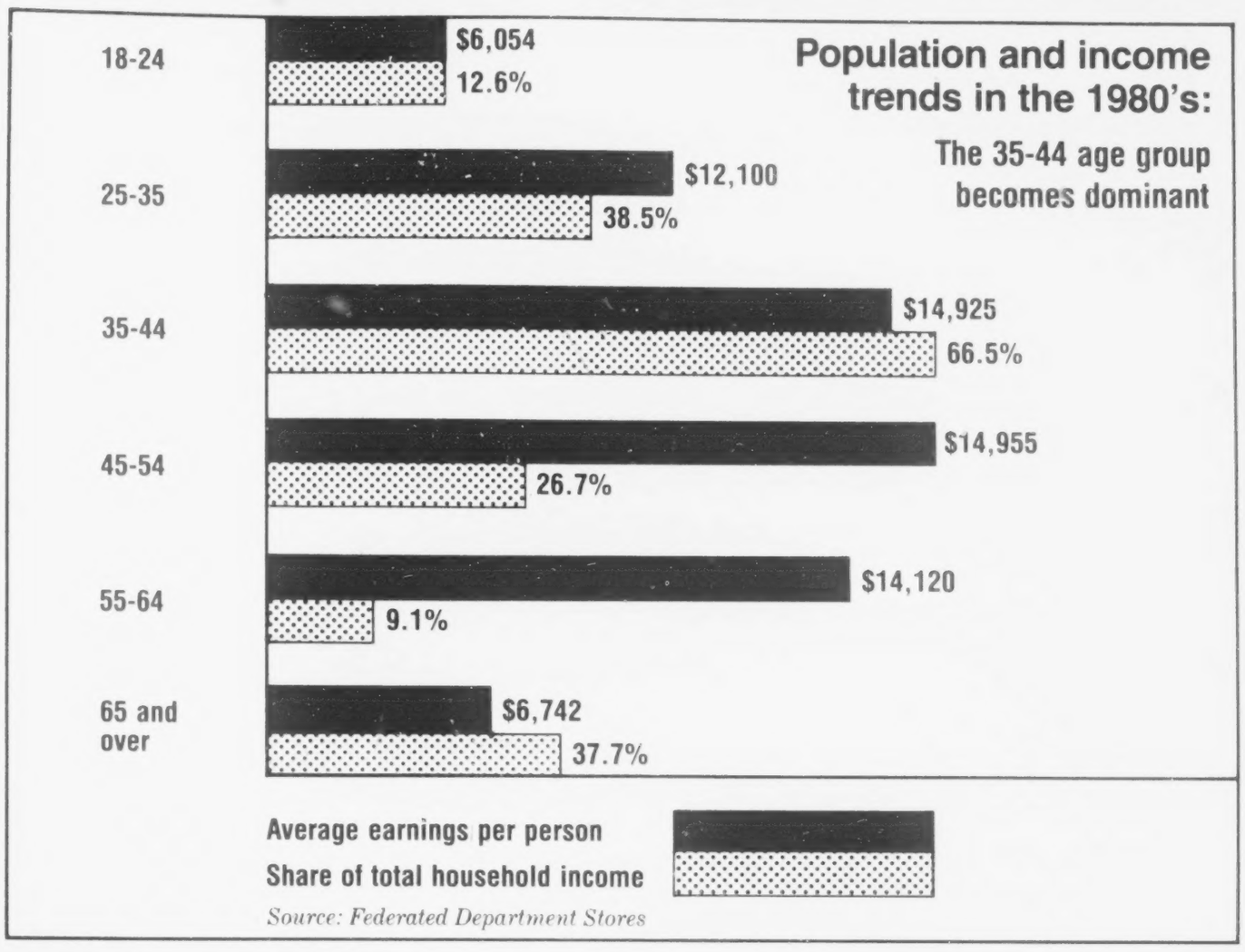
Two other chains that increased local TV spending dramatically in the first quarter were Venture and Richway.

K mart's 69% first-quarter decline in local TV spending is somewhat misleading. The chain's total ad budget for fiscal 1982 was slated to be 6.8% higher than 1981, reaching approximately $400 million.

But, K mart held up its big advertising push for the second-quarter start of its 20th anniversary ad campaign.

Discount Store Census '82/'83

Population, Income Trends



Source: Federated Department Stores

How Leading Suburbs Are Making Out

Rank	Metro Suburb	1981 Suburban Population (Add 000)	% of Metro Population	% Change 1980-81
1.	Los Angeles-Long Beach	4,203.0	55.6	+1.3
2.	Chicago	4,183.3	58.7	+2.1
3.	Detroit	3,180.8	73.5	+1.0
4.	Philadelphia	3,059.6	65.1	+1.0
5.	Boston	2,812.2	76.9	+0.4
6.	Nassau-Suffolk, N.Y.	2,615.3	100.0	+0.4
7.	Washington, D.C.	2,470.1	80.1	+2.0
8.	San Francisco-Oakland	2,272.2	69.3	+1.7
9.	New York	2,045.8	22.8	−0.1
10.	St. Louis	1,926.6	81.9	+1.3
11.	Pittsburgh	1,831.0	81.8	−0.5
12.	Dallas-Fort Worth	1,790.4	58.1	+6.2
13.	Atlanta	1,697.4	80.5	+5.8
14.	Newark, N.J.	1,627.7	83.6	−0.5
15.	Minneapolis-St. Paul	1,522.2	70.9	+3.3
16.	Anaheim-Santa Ana-Garden Grove, Calif.	1,464.3	72.3	+5.9
17.	Baltimore	1,428.8	65.2	+3.0
18.	Houston	1,414.0	46.0	+7.8
19.	Miami	1,345.8	77.4	+5.9
20.	Cleveland	1,324.8	70.8	0.0
21.	Riverside-San Bernardino-Ontario, Calif.	1,254.3	76.3	+6.4
22.	Tampa-St. Petersburg	1,147.3	69.4	+8.1
23.	Denver-Boulder	1,129.3	66.7	+7.4
24.	Seattle-Everett	1,102.1	67.0	+4.0
25.	San Diego	1,051.9	53.8	+6.7
25-	Suburb Total	49,909.2	63.4	+1.8

Source: Census Bureau; Sales and Marketing Management

Population by Age

1981 Population (Add 000)	Age Group	% Change 1970-81
20,298	Under 6	− 3.2
42,416	6-17	−12.9
30,200	18-24	+27.4
39,086	25-34	+56.8
38,799	35-49	+10.1
60,210	50 and older	+21.2

Source: Census Bureau

Jamie Speaks For Jamesway

SECAUCUS, N.J.—Jamesway is sending a woman into your living room or bedroom.

The chain's new spokeswoman, Jamie, is Jamesway's younger version of Bradlees' Mrs. B—with even the use of a first name connoting an instant friend.

That is precisely the effect the discounter hopes to achieve in its switch from product advertising to a campaign that promotes customer identification with not only the merchandise but also the stores themselves.

Murray Kaplan, Jamesway's vp of advertising, said the use of a spokeswoman represents a departure for the chain, designed to "lay the groundwork for more personal feelings between us and our customers."

Jamie has been seen in all the chain's advertising since June, but Kaplan said her use becomes extremely heavy in the third and fourth quarters, starting with back-to-school business and into the holiday season.

Jamesway has increased its television ad budget this year, up 67% to $750,000 from 1981's $450,000.

Wal-Mart Issues 2 Million Shares

BENTONVILLE, Ark.—Wal-Mart has issued an additional two million shares to the public to help repay short-term borrowings needed for its expansion, the discounter said.

Issued through Merrill Lynch White Weld Capital Markets Group, the issuing will also help offset general working capital requirements.

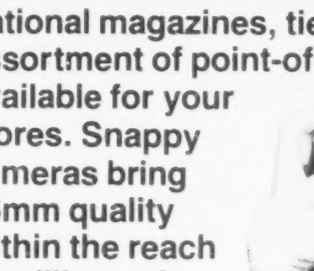
INTRODUCING SNAPPY
Canon Quality and Simplicity. At the Right Price!

The new Canon Snappy is destined to become the world's best selling 35! Designed expressly for the American snapshot market, Snappy will be heavily advertised on network TV and in national magazines, tied in to a wide assortment of point-of-sale material available for your stores. Snappy cameras bring 35mm quality within the reach of millions of additional customers and provide a new profit-making opportunity for you.

Canon Snappy cameras are totally automatic, with motorized loading, film winding and rewinding, automatic exposure control and built-in electronic flash! The Snappy 20 comes in five terrific colors and features a focus-free Canon f4.5 lens. The deluxe Snappy 50 comes in charcoal gray and features two-zone autofocus with a Canon f3.5 lens. Launched with the same total marketing effort that made the Canon AE-1 the world's most popular SLR, Snappy will revolutionize the 35mm market. Again.

It's my Style!

The Canon line has become the cornerstone on which all 35mm retail sales are built. The strongest advertising, a broad range of products and a name people trust add up to business you can count on everyday.



Canon A-1

The Canon A-1 is the most advanced of our "A" Series SLR cameras, featuring six exposure control modes to suit any picture-taking situation. The Canon AE-1 PROGRAM, seen in the hands of sports celebrities like John Newcombe, Tracy Austin and Willie Randolph, is a best seller, with *programmed automation* for focus-and-shoot convenience and shutter-priority

Canon AE-1 PROGRAM

automation for creative control. The new AL-1 has QUICK-FOCUS–an electronic focusing system that makes it easy for

Canon AL-1

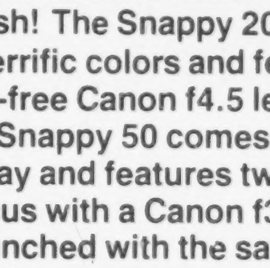
anyone to get sharp pictures every time. The world-famous Canon AE-1 is so advanced, it's simple, and is the most accepted 35mm SLR in history. Finally.

Canon AE-1

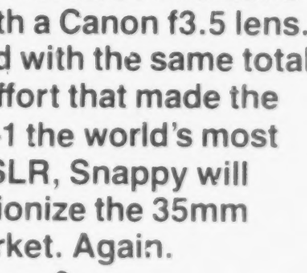
there's the AV-1, the most economical automatic Canon SLR which offers all the flexibility of Canon FD interchangeable lenses and additional accessories like Canon power winders and dedicated speedlites.

Canon AV-1

The Canon Sure Shot and Super Sure Shot models offer totally automatic operation in handsome compact cameras that deliver SLR-quality photos



Canon Super Sure Shot AF 35 ML



Canon Sure Shot AF 35 M

without the complexity of the higher-priced SLR cameras.

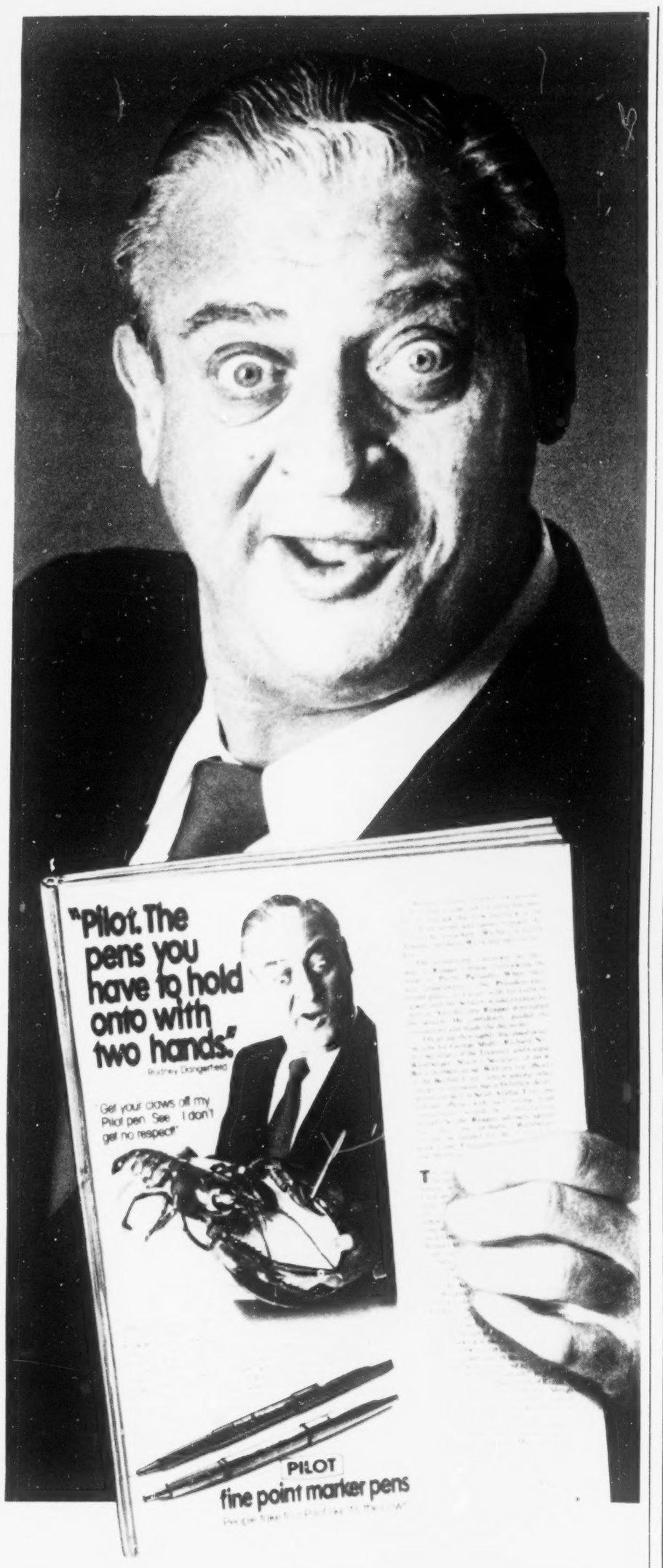
The Canon line is the most heavily advertised 35mm line, and the broadest, offering Canon quality at every price point. That's why Canon is the world's leader in 35mm photography!

The Official 35mm Camera of the 1984 Olympic Games

Canon®

Canon USA, Inc., One Canon Plaza, Lake Success, New York 11042 • 140 Industrial Drive, Elmhurst, Illinois 60126 • 6380 Peachtree Industrial Blvd., Norcross, Georgia 30071 • 123 Paularino Avenue East, Costa Mesa, California 92626 • Bldg. B-2, 1050 Ala Moana Blvd., Honolulu, Hawaii 96814 • Canon Canada, Inc., Ontario

© 1982 Canon U.S.A., Inc.


"Pilot. The pens you have to hold onto with two hands."
Rodney Dangerfield
Get your claws off my Pilot pen. See I don't get no respect
PILOT
fine point marker pens

Rodney gets no respect. And Pilot gets all the sales.

He's got lots of your customers laughing and buying Pilot pens. That's because Rodney Dangerfield is doing a remarkable job selling the amazing Pilot marker pens, the 79c Pilot Fineliner and the 89c Pilot Razor Point.

Rodney's been appearing in all the right places. He's talking to over 200 million total readers, a minimum of seven times thru the pages of Life, Time, Newsweek, Sports Illustrated, and People. As well as Cosmopolitan, Omni, Parade, TV Guide and Fortune. He's been reaching students, too. In over 50 percent of all college newspapers on campuses coast to coast.

And when 436,464,000 total listeners tune in their radios, he's there selling Pilot.

With the most advertising dollars we've ever committed—and today's hottest comedian who demands respect—it's no wonder your customers think Pilot.

PILOT

Pilot Corporation of America
30 Midland Avenue, Port Chester, New York 10573 (914) 937-5500

Discount Store Census '82/'83

Acquisitions, New Units Spur Catalogers' Growth

Chain (Hq. & Coordinator)	Showroom $ Sales (Millions) Estimated Current Fiscal Year	Showroom $ Sales (Millions) Last Completed Fiscal Year	$ Net Profit (millions) Last Fiscal Year	Showrooms Jan. 1, 1982	Showrooms July 1, 1982	Showrooms Dec. 31, 1982	Showrooms To Be Opened in 1983
Best Products (Va.)[A] (Creative)	1,365	1,242.3	11.9	100	114	117	3
Service Merchandise (Tenn.)[B] (Independent)	1,275	1,110.1	20.9	116	121	132	8
Modern Merchandising (Minn.)[C] (Creative)	730	681.8	23.8	71	72	76	4
H. J. Wilson (La.) (Independent)	490	402.9	12.7	70	72	77	5
Carlson Cos. (Iowa)[D] (Creative)	320	320.0	N.A.	77	77	71	0
Consumers Distributing (N.J.)[E] (Independent)	270	252.0	(1.3)	100	100	107	5
Gordon Jewelers (Tex.)[C] (Independent)	145	132.7	15.9	44	44	47	3
W. Bell (Md.) (Independent)	145	134.0	N.A.	15	15	18	3
L. Luria (Fla.) (Mutual)	145	108.9	4.6	21	21	26	3
Jewelcor (Pa.)[C] (Jewelcor)	131	128.3	N.A.	26	26	26	0
Century (N.Y.) (Independent)	116	121.0	N.A.	55	44	44	0
McDade & Co. (Ill.) (MAI)	97	95.0	N.A.	7	7	8	1
Sterling Jewelers (Tex.) (Paul Schultz)	75	70.0	N.A.	5	5	5	0
O. G. Wilson (Tex.) (Independent)	75	68.0	N.A.	18	16	16	2
David Weis (Pa.) (MAI)	65	54.0	N.A.	9	9	10	2
Ellman's (Ga.) (Independent)	64	62.1	1.6	7	7	7	2
K's Merch. Mart (Ill.) (Creative)	55	50.0	N.A.	6	6	6	2
Brendles (N.C.) (MAI)	52	49.0	N.A.	13	13	14	1
E. H. Tepe (Ind.) (Creative)	44	42.0	N.A.	9	9	9	1
Dahlkemper's (Pa.) (Creative)	33	30.0	N.A.	6	6	6	1
Goldbro (Ala.) (Charter)	30	27.0	N.A.	5	5	5	0
Towers (N.J.) (Creative)	30	28.0	N.A.	7	7	8	1
Masters (Fla.) (Jewelcor)	28	25.5	(1.4)	26	26	26	0
Alexander's (S.C.) (Charter)	26	21.0	N.A.	5	5	6	1
Fred Gattas (Tenn.) (MAI)	25	21.5	N.A.	5	6	6	1
Evans (Md.) (MAI)	25	22.0	N.A.	4	4	4	0
Key Distributors (Ga.) (Creative)	25	23.0	N.A.	8	8	8	1

Some Figures are DSN estimates. ( ) Loss. N.A.—Not available. [A] Pro Forma, includes Basco; doesn't include Modern Merchandising. [B] Pro Forma, includes Sam Solomon. [C] Showroom division sales, operating income only. [D] Combined results for 52 Ardan, 9 MacDonald and 16 Naum showrooms; 6 Naums to close. [E] United States sales, operating income in Canadian dollars.

The catalog showroom industry has undergone major changes as it reached maturity.

This is most evident in the consolidation of companies as the leading catalogers grow through expansion and acquisition.

The updated chart of the top catalog showroom chains shows this trend by including two recent acquisitions within the sales and earnings of the acquiring companies.

Best Products strengthened its top position by taking over troubled Basco, while Service Merchandise kept pace as No. 2 by acquiring Sam Solomon, which came out of Chapter XI just a year ago.

But, another major change is looming—Best's acquisition of Modern Merchandising, the No. 3 chain, which was due to be completed at presstime. This will make Best the industry's first $2 billion, nationwide chain.

The 27 chains (including Modern Merchandising) listed in the chart all did at least $25 million in annual sales. Together, the chains are projected to do $5,881,000,000 in the current fiscal year, up 10.5% from $5,322,100,000.

These 27 catalogers account for about 80% of the showroom industry's projected $7.3 billion sales in the current fiscal year.

The industry's maturity is seen in the sharp slowdown in the number of new stores. The 27 chains started the year with 835 showrooms and are projected to have 885 by the end of 1982, a 6% increase, with about the same number of units expected to be opened next year.

Backing up these 27 leading catalogers is a group of 15 other chains doing between $15 million and $24 million, and projected to generate $278 million in the current fiscal year. They operate just under 100 showrooms.

Together, these 42 catalogers will account for $6,159,000,000 in sales, about 85% of the industry's total volume.

Two companies on the chart—Modern Merchandising and Jewelcor—operate showrooms and also have catalog coordinating arms. The sales listed for them are just for their showroom divisions.

K mart Slows Down to 'Only' About 80 Bows in '82

TROY, Mich.—K mart is pausing to catch its breath.

The results will be fewer new stores and a moderate gain in sales this year as the industry giant focuses its efforts on boosting the productivity of its current crop of units by upgrading ambience and merchandise, while also exploring external areas for growth.

Statistics only tell the surface story of what's happening.

The discounter expects to open only about 80 stores this year, a crawl for K mart compared to last year when it added 170 units.

This scaled-down expansion will take place as the discounter, for the first time, actually closes some unprofitable K marts, with three such stores already shuttered.

The cash register effect of this will be sales of $18 billion, up about 9% from the $16.5 billion in the last fiscal year, which was a gain of 16.4% in volume.

The rest of the story is the changes taking place within K mart stores themselves.

In the merchandising area, the most important activity is the stepped-up focus on national brands for both hard goods and soft lines.

This has already resulted in the 2,050-plus-store chain adding such products and brands as Atari computer games and Texas Instruments TI/30 computers, peripheral equipment, games and software programs to its mix, and phasing in Jonathan Logan junior/women's apparel for this year's back-to-school merchandising.

Innovative Program

(The Jonathan Logan program is unique in that K mart will be the only retailer handling the line, which had been a national brand. The name was licensed by its owner to an apparel manufacturer which now produces goods under the brand for K mart only.)

K mart executives, in explaining the national brand thrust, noted that consumer research indicated the discounter could sell "an expanded assortment of hard goods that we previously considered beyond the price and quality range of traditional K mart assortments."

The upgraded soft goods merchandising "will enhance efforts to make K mart even more widely known as the place to shop for quality and fashion at competitive prices."

A key adjunct to the move to more branded apparel was the centralization of all of the discounter's clothing merchandising under the wholly owned K mart Apparel Corp. This effort also involves refixturing the apparel departments in all K marts by the end of the year to match the prototype sections fashioned in new stores during the past 18 months. Last year 628 soft goods sections were refurbished with the new look.

The remodeling of the apparel departments has resulted in K mart putting a temporary halt on work to remake hard goods sections. This effort last year saw some 400 stores get new health and beauty aids sections.

The other major store-level change is the use of new sophisticated computer technology to keep track of sales and speed up communications between headquarters, distribution centers and stores, especially to provide much faster replenishment of stock.

The discounter will have all stores hooked into the KIN (K mart Information Network) computerized communication system by this fall, more than a year earlier than projected.

KIN is used to transmit sales and merchandise movement information collected by in-store minicomputer as well as act as an electronic mail system for messages.

The merchandise tracking program is being upgraded through the use of hand-held wand scanners that read UPC-marked tags on hard line shelves and pegboard gondolas.

The information collected by the scanner is transmitted to regional warehouses or K mart's central computer, and is used to reorder merchandise, pulling goods either from a distribution center or directly from a vendor.

The discounter has targeted $2 billion plus for its capital expenditure program, including almost $250 million for high technology computer equipment.

Among the new technology will be K mart's first test next year of a point-of-sale system that captured information from UPC-tagged merchandise. The POS test will enable the discounter to obtain sales and item movement information at the checkout, in addition to developing reorder information through the scanning of the UPC-marked shelf tags.

The remainder of the capital expansion program will go to refurbishing and updating older stores, including the extensive remodeling now under way of the apparel departments.

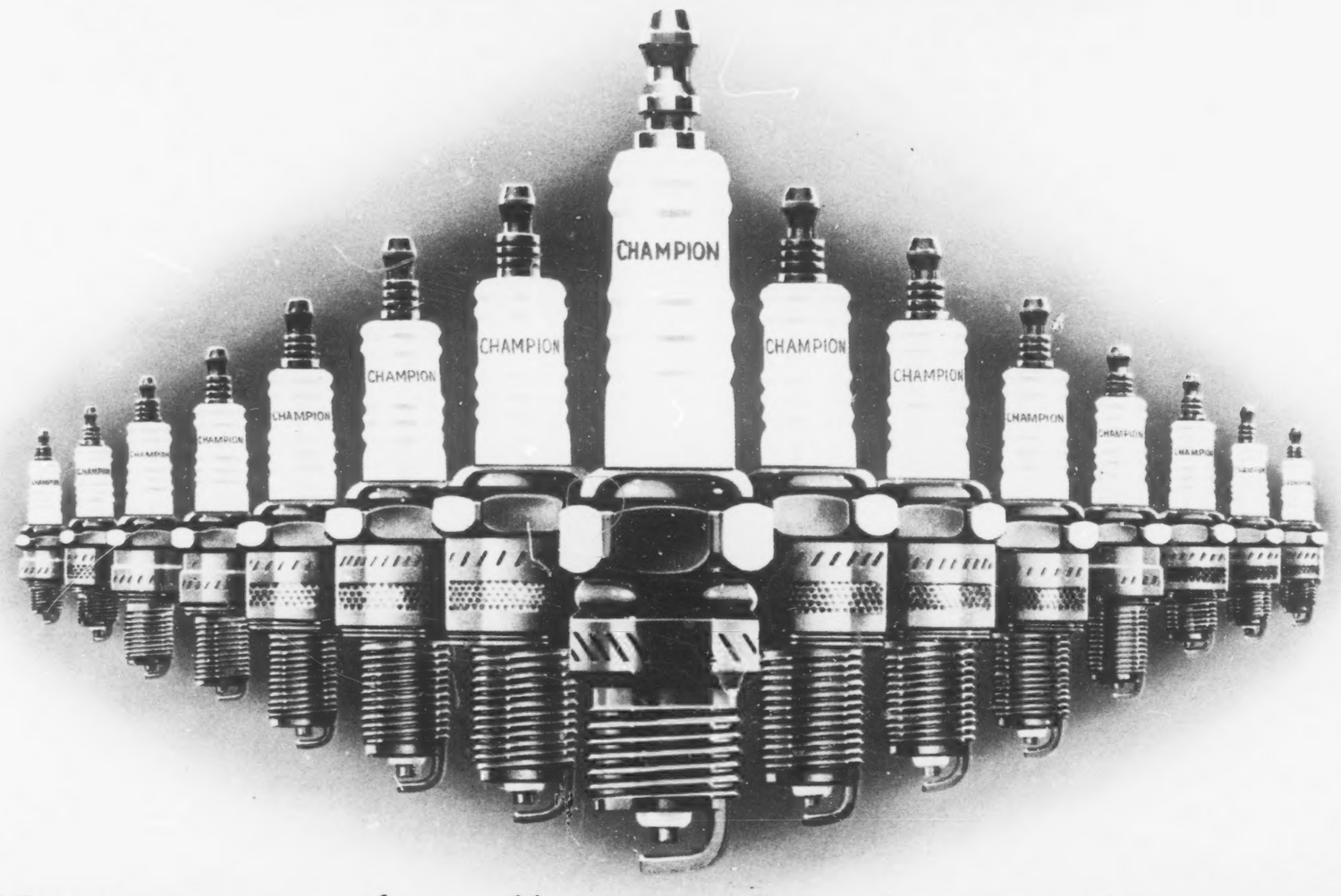
K mart's internal focus is

(Continued on page 123)

K mart's move to expand the use of brand name goods includes featuring Jonathan Logan merchandise in a special display in its own area. Lodi, N.J., store was one of first to get it. *(DSN photo)*

NEW 'COPPER PLUS'

Champion introduces a new design program with 30% fewer plug types.



Now you can handle 93% of the import/domestic 4-cylinder market with only 15 plug types.

'COPPER PLUS'...a brand-new family of spark plugs that can spark your profits like never before. This brand-new Champion lineup is especially engineered with emphasis on the fast-growing import and domestic 4-cylinder market.

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Wal-Mart Sees $3.5 Billion Sales in '82

BENTONVILLE, Ark.—Wal-Mart expects to pass the $3 billion sales mark this year.

With record sales posted in its last fiscal year—up 49% after opening 62 new stores and absorbing the 106-unit Kuhn's Big K chain (92 were opened as Wal-Marts)—the Arkansas giant is projecting a 40% sales gain to $3.5 billion for its current fiscal year.

Net income for last year totaled $82.8 million giving the chain a 3.4% return on sales for the third consecutive year. In fiscal 1978 return on sales was 3.1%; in fiscal 1979, was 3.3%. Comparable-store sales rose 15% during the latest year.

In 1983, the chain plans to open 80 stores, 33 of them destined for Texas, which will push that state's count to more than 100 Wal-Mart stores by December of next year.

With its trading area expanded to 13 states thanks to the Kuhn's acquisition, the chain will be adding at least one more state to its roster in 1983—Nebraska—and will be expanding into the Florida Panhandle.

Integral to the chain's ability to continue turning in record fiscal performances is its ability to push new and existing stores to operate at even greater sales capacity, and to reduce overall operating costs wherever possible.

Last year, for example, the chain took over the operation of 162 jewelry departments that were previously run by a lessee; opened its first photofinishing plant, in Texas, which will service 160 stores, and opened a second overseas buying office.

In addition, the chain, having reshuffled its buying staff, is planning for increased sales in a new merchandise sphere, the Home Area. This will see the chain emphasizing textile coordinates in kitchen and bath, and bringing in better lines of casual furniture and accessories, including gourmet kitchenware, for the home.

Building on a fashion emphasis in store presentation, apparel will be expanded and upgraded lines added, especially in activewear coordinates for men, women and children.

To fuel its growth into new markets, the company last year opened a distribution center, a 510,000-sq.-ft. unit, in Palestine, Tex. It will open another center in Cullman, Ala., in early 1983.

In addition, the company has announced its intention to rely more heavily on regional vendors—those located closer to its distribution centers—in coming years to further reduce buying and freight costs.

Its "power alley" presentation, combined with the VPI (Volume Producing Item) program, is part of the strategy keeping Wal-Mart at the front of the line in chainwide and same-store growth. *(DSN photo)*

Murphy's Mart Format Being Standardized

McKEESPORT, Pa.—G. C. Murphy Co. executives look to 1982 as a turnaround year.

They're placing their bets on, among other things, a refurbishing campaign begun this spring to standardize Murphy's Mart formats in a new upscaled presentation.

By year's end, 25 or more units will have the new look which uses upscaled face-out fixtures, new departmental signing and fingerwalls to create department shops. The upgrading puts emphasis on ready-to-wear, jewelry and cosmetics, where higher-ticketed merchandise is getting full play.

Although the chain has plans for new Marts—three will open in October to give it six new units for the year, and at least two new units will debut in 1983—the bulk of the company's commitment in capital expenditures in 1982 and 1983 is earmarked for upgrading facilities. The chain committed $11 million for capital expenditures in 1982.

Definite Possibility

In all likelihood, chain officials say, there may be some closings of Marts next year, in markets of single units located out of reach of an effective advertising program.

The move to upgrade stores comes on the heels of a poor performance in 1981.

"The year 1981 was indeed a very disappointing year. We make no effort to minimize that fact," said president and ceo C. H. Lytle.

The company ended fiscal year 1981 with a 50.7% drop in net income from $17,489,000 to $8,628,000. Marts took a 60.6% share of company sales, compared to 57.6% a year earlier, ending the year with sales of $495,735,000 or 7% higher than in 1981. The Marts' performance basically countered the company's variety store division's 5.5% drop in volume.

For the first 22 weeks of 1982, the 108-unit Marts (up from 103 units at the end of 1981) showed a 13.9% advance in sales to $215,038,000 from $188,732,000 a year earlier.

Refurbishing efforts in 20 units—predominantly in the Pittsburgh and Baltimore mar-

(Continued on page 84)

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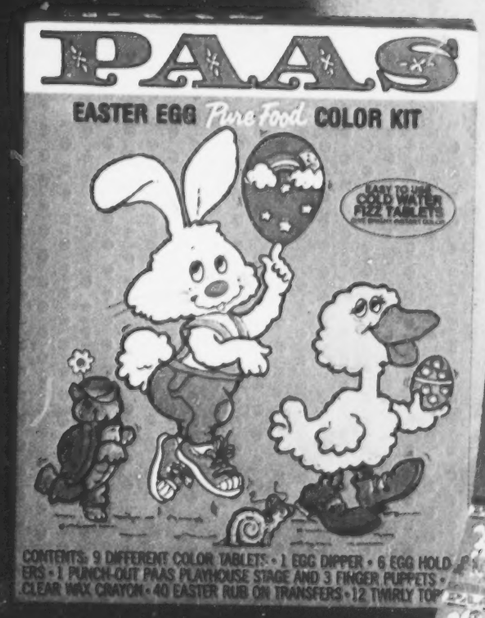

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Discount Store Census '82/'83

Woolco, in Turnaround Effort, Hypos Organizational Changes

NEW YORK—It's been a year of upheaval for the Woolco chain—and an end to change isn't yet in sight.

As the New York-based chain approaches the $3 billion sales mark, its future and its market identity still aren't clear. It is becoming clearer, however, that Woolco's parent, the F. W. Woolworth Co., is taking a hard look at its discount division and it's probably now or never for a chain that in more than 20 years of operation has never turned a profit.

Sales for the U.S. Woolco division are expected to hit $2.26 billion this year, according to chain estimates, a 20% increase over last year's volume. Including sales from Canadian Woolcos, chainwide volume totaled $3.5 billion.

For the fiscal year ended Jan. 31, 1982, U.S. Woolco posted a $19 million loss; the Canadian Woolco operation earned approximately $95 million in United States currency.

The F. W. Woolworth Company was in even worse shape, $25 million in the red at the end of the first half (July 31) on a scant 0.7% increase in sales.

One of the first signs that corporate was serious about pulling the chain's bottom line into the black once and for all came early this year when management tapped Bruce Allbright, president of Target Stores, to fill the newly created post of chairman, chief executive officer for the Woolworth/Woolco division.

Major Changes

This was followed by several months of announced plans to separate Woolworth and Woolco into two distinct operating divisions; the unveiling of a new prototype store in East Brunswick, N.J., that put heavy emphasis on fashion apparel; and the shuttering of the chain's stores in almost a half-dozen markets—including Charlotte, N.C., Memphis, Tenn., Little Rock, Ark., and Atlanta—where market penetration was insufficient to meet sales projections.

Shortly after his arrival in New York, Allbright accelerated the separation of the two divisions—both at headquarters and in the field—creating a separate regional structure for each of the chains and a new hierarchy at headquarters.

A new position for the head of each division was created: chief operating officer. Posts for vice presidents of operations, hard lines, soft lines, and advertising and sales promotion for each division were also created. Plans were announced that separate buying staffs were also to be created.

Next, Allbright hired Harold Smith, vp and general merchandise manager for Magic Mart, Little Rock, Ark., to be president and chief operating officer for the Woolco stores.

Smith replaced Jack McNutt, whom Allbright had designated acting coo and senior vp, store operations, in March as part of his initial reorganization moves. McNutt, a 39-year company veteran, had been corporate vp, personnel, when Allbright tapped him to run the stores until a president could be hired.

McNutt continues as senior vp, store operations, reporting to Smith.

As the company's latest annual report emphasized, these changes are "only the first of a number of Woolco organizational changes which are accelerating in 1982."

For now, the chain has put a hold on all future expansion, limiting itself to opening new stores where legal commitments already exist. The emphasis this year will be on taking the prototype chainwide with 25 stores to be remade in 1982; installing electronic point-of-sale equipment in those 180 Woolco stores that have yet to be outfitted, and centralizing control in merchandising, advertising and inventory investment.

In merchandising, for example, the company took control of its last leased operation. In the last two years, the company has severed its ties with its lessees in shoes, automotive and men's wear.

In other major changes for Woolco, the chain has ceased to share circular space with its sister variety store division. In the new presentation, Woolco adopted a broadsheet format that features 35% to 40% fewer items than were run a year ago.

Still, the jury remains out on whether these changes—and those yet to come—will pump up the bottom line. According to the annual report, "domestic results were the most important reason for the company's decline in earnings and return on shareholders' equity."

With store expansion in a holding pattern, Woolco is, among other things, concentrating on spreading the new prototype unveiled in East Brunswick, N.J., and emphasizing apparel. *(DSN photo)*

T.G. & Y. Focuses on New AIM for the best Stores

With the new, upscale AIM for the best Stores planned as a 200-unit chain in five years, and just 75 to be newly built, the offspring is setting the tone for T.G. & Y.'s future growth. *(DSN photo)*

OKLAHOMA CITY—An interesting year lies ahead for T.G. & Y. as the chain charts a course for its new offspring AIM for the best Stores and refines expansion of its core business.

The chain expects to end 1982 with sales of $1,803,400,000 from 574 Family Centers, a 13% increase in volume from last year's $1,695,600,000 contributed by 553 Family Centers.

From the combined operations of Family Centers and variety stores—the latter to number 342 at year's end compared to 381 a year ago—sales will amount to $2.1 billion, a 12% increase from a year ago when volume reached $1,803,400,000.

Expecting to open only eight Family Centers in 1983, while closing 39 variety stores, T.G. & Y. is clearly trimming its core store base to focus on its new upscaled AIM for the best division.

The division debuted this spring with four units and will number approximately 15 by the end of this year.

AIM for the best's first stores, located in Macon and Warner-Robins, Ga., and Stillwater, Okla., will be followed by additional units in Arizona, Texas, Oklahoma, Mississippi, Alabama and California.

In 1983, 12 T.G. & Y. stores are expected to be converted to the AIM for the best format, compared to four conversions this year, and four new units will come on line.

According to parent company Household Merchandising, Chicago, long-range plans should position AIM for the best as a 200-unit division within five years. A company spokesman said only 75 of the 200 units will be newly built.

The push for the new division is to better position T.G. & Y. for sales and profits in the future.

Designed for the trade-up customer with a heavy preference for brand name assortment, especially in soft lines, AIM gives 48% of store selling space to apparel. Up to 40% of the mix is branded, compared to 10% in traditional stores, AIM also incorporates the decor of upstairs department stores.

T.G. & Y. officials expect the payoff of the new direction in AIM to earn them $150 per square foot, compared to $90 currently generated by Family Centers.

In dealing with the challenge of a new division, the company has done some management restructuring his year.

H. O. Price was moved into a newly created position of executive vice president and coo.

Price, former group vp and senior vp for marketing, was chosen to direct store operations and marketing, as well as coordinate development of the chain's new $100 million merchandise processing system. He reports to Dan Kelly, president and ceo.

The restructuring also upped H. L. Pettitt, who was group vice president of buying, to senior vp of buying and merchandising, and R. G. Smith, former vp of advertising, to group vice president of marketing and advertising. Both report to Price.

New Personnel

In line with the creation of AIM as a separate division, J. M. Cox, former vp of store operations-south and central divisions, was named to head the division. Raymond Balcer was transferred from chain management in Florida and Alabama to be vice president of store operations; J. C. Krause, L. R. Rhoses and Richard Scott became division vice presidents and district managers, and James Davis was named personnel manager. No less important to T.G. & Y.'s future performance is its program to install electronic point-of-sale equipment, to further develop the merchandising processing system and streamline its distribution system.

By July, T.G. & Y. had installed POS terminals in 100 stores and planned to end 1982 with 140 units on line. Another 125 to 150 stores will be adding terminals in each of 1983 and 1984.

The POS installations began in 1980, and by 1981, 45 units had been switched to the system.

The POS system is T.G. & Y.'s first step in development and implementation of a new merchandising process system that will track inventory information by sku from shipping through arrival to stores, and allow automatic replenishment.

Thirty-six stores currently have perpetual inventory systems in conjunction with POS, which allows for automatic replenishment and a boosted in-stock position.

Price/Look Up, another POS feature, also planned for T.G. & Y. stores, is currently used in only the new AIM stores.

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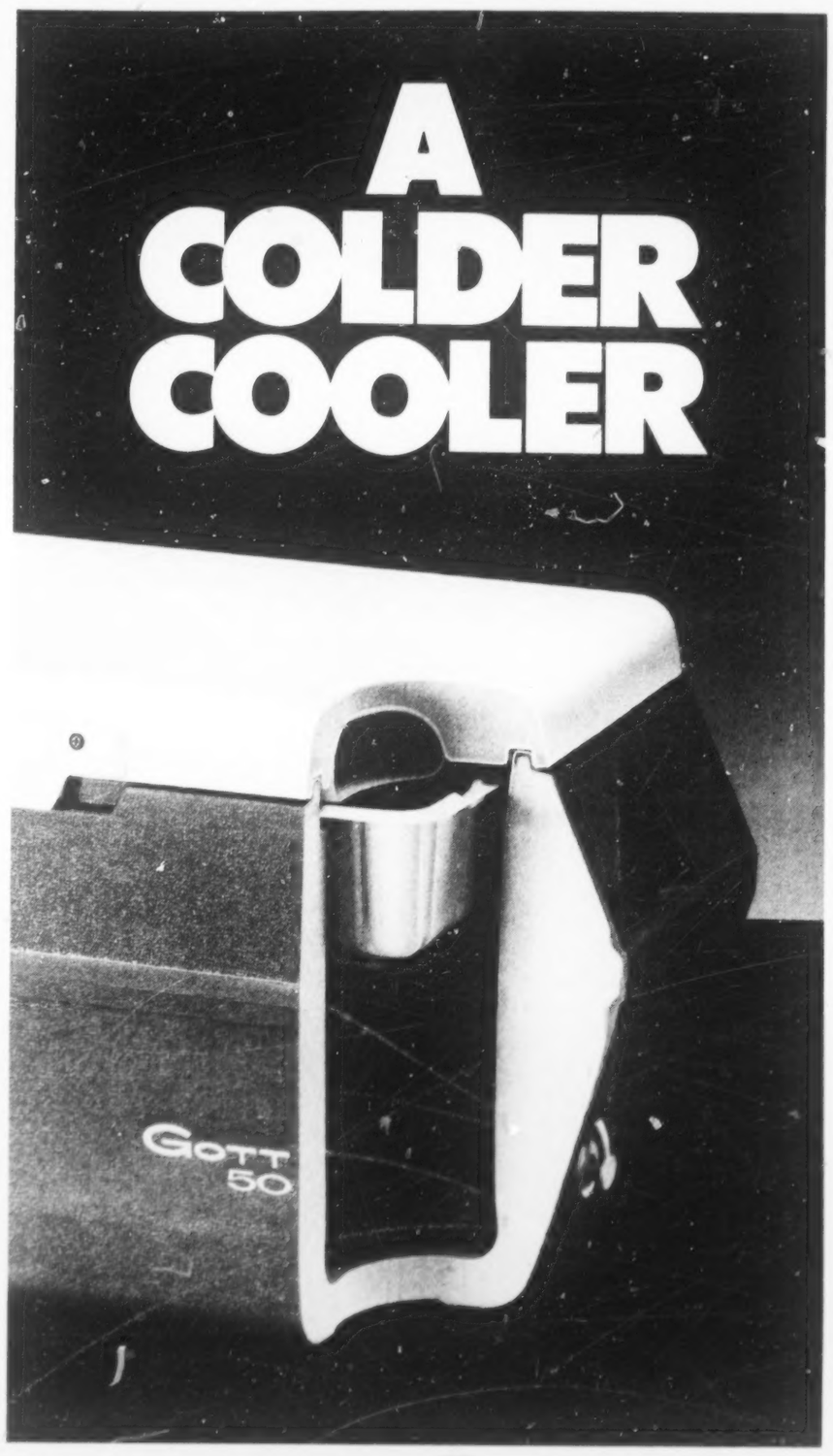

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GOTT'S GOT IT.

Discount Store Census '82/'83

Caldor entered the New Jersey market this year with the takeover of four Korvettes sites. The units were remodeled, boasting a new approach to housewares, shown here at Paramus, N.J. *(DSN photo)*

Caldor: $1B in 1983?

NORWALK, Conn.—Caldor is on its way to joining the $1 billion club next year.

With sales for the chain at $779 million in 1981, an estimated 15% sales increase will bring the 1982 total to approximately $895 million.

From there, it's not much of a giant leap to the $1 billion sales total for 1983.

Caldor's contribution to the sales volume of Associated Dry Goods, which acquired the Northeast discounter in May 1981, has been significant. With Caldor's sales results, from the end of May, included in ADG's results for the year ended Jan. 30, 1982, Caldor added $592 million in sales. This represented 22% of ADG's $2.751 billion for the year.

If Caldor's $779 million in sales for the entire year were incorporated with ADG's sale performance, the discounters contribution would have been even higher—28% of the total.

Sales Up

For the first quarter of 1982, Caldor clocked a 23% sales increase with sales moving up to $168 million from $137 million for the same period last year. Once again, Caldor's sales represented a healthy chunk of its parent company's sales, 26.2% of ADG's $641.2 million.

From another vantage, in the first quarter ADG sales increased by 41.2% including Caldor's sales. If Caldor's sales were excluded, its parent company would have gained only 4.2% in sales.

Although Caldor has been bringing in strong sales gains for the past five years, with more of the same projected this year and next, there is one negative aspect.

According to figures reported by Goldman Sachs, Caldor registered double-digit comparable-store sales increases throughout the late 1970's. Since 1980, however, its same store performance has slipped with the increases below 10% in each quarter during 1980, 1981 and, so far, continuing in 1982.

With sales increases largely fueled by new stores, Caldor's expansion plans should keep the sales total climbing. In 1981, 11 stores were opened—a new record for a single year—including four units marking Caldor's entry into the New Jersey market with the takeover of four Korvettes sites.

This year five new stores will be brought on board.

A 112,000-sq.-ft. New Brunswick, N.J., store opened in May, was the fifth, and last, of Caldor's Korvettes takeovers. Another four stores are planned for fall 1982 openings—three more in New Jersey and one in Massachusetts—bringing Caldor up to a 79-unit operation by the end of the year.

In 1983 the store opening pace is scheduled to pick up again. Caldor's management hasn't announced the locations of the 1983 stores, but eight-10 new ones are planned.

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GOTT'S GOT IT.

Back on Expansion Trail, Venture to Unveil Three

ST. LOUIS—With the opening of three Chicago-area stores this fall, Venture will expand its store base for the first time in three years.

The chain—which projects sales of $680 million for the fiscal year ending Jan. 31, 1983—this year is investing $30 million in the three 100,000-sq.-ft. stores, along with remodeling five existing stores and partially refurbishing nine others.

One store to be unveiled this fall is an ex-Woolco location in Homeland, Ill. The purchase of that unit was announced in March when Venture shuttered an unprofitable inner-city Chicago store located at 115 Street and Halsted. The two other new units will be in Niles and Forrest, Ill.

Although Venture hasn't announced 1983 expansion plans, president Julian Seeherman said continued expansion is part of the plan for the 44-unit chain.

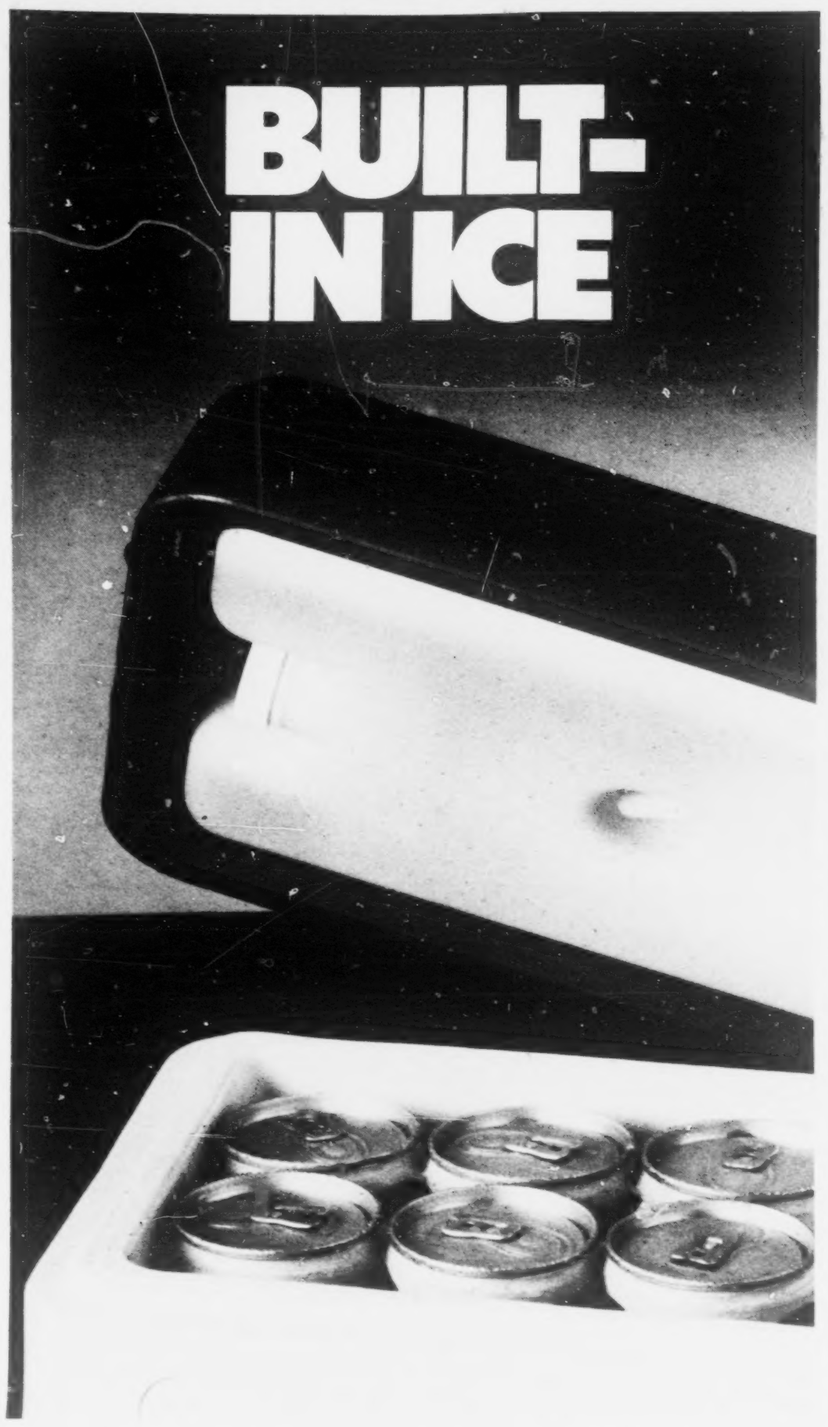
A spokesman for the May Department Stores, parent of Venture, commented that expansion during 1983 would be confined to markets where the chain is already strong. Those markets include Chicago, where 24 stores are located, St. Louis, where there are 12, and Kansas City, six.

With the five other stores in small midwestern cities and the three new ones, Venture's store base will be 47 by the end of this year.

Sales for this year through the end of July were running 8.5% ahead of last year, at $288.3 million compared to $265.7 million for the same period in 1981. Same-store sales scored a 9.5% gain over last year.

In 1981, Venture reported a sales increase of 9% with volume of $611.5 million, based on operation of 45 stores. Operating earnings improved over 40% for last year, to $16.8 million. The ratio of operating earnings to sales climbed six percentage points to 2.7%.

Continued success for the chain in these difficult economic times will be insured by the chain's constant emphasis on being a better merchandiser, according to Seeherman. He expects the '82 sales volume to outstrip the '81 total by 11%.



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GOTT'S GOT IT.

Discount Store Census '82/'83

Target to Complete Conversion Of 33 FedMarts in April-May '83

MINNEAPOLIS—The other shoe finally dropped.

After months of industry speculation over whether Target would move into southern California via stores vacated by FedMart, it finally became official.

Target announced it would take a total of 33 FedMart sites in three Sunbelt states. It will join the fray in southern California's highly competitive market with the takeover of 28 FedMarts—20 in the Los Angeles area, eight in the San Diego area.

In addition the chain picked up four FedMart units in Arizona—three in Phoenix, one in Tucson.

The takeover of a FedMart in El Paso adds another new Texas market to Target's growing lineup in that state. El Paso brought the store count in Texas to 30, including stores already in operation and announced future openings.

The ink was barely dry on the acquisition when Target made a few more announcements relating to its California entry.

New Moves

In preparation for the expansion, Target restructured its regional operations and recruited Michael Rouleau, president of Lechmere, another division of Dayton Hudson, to head the regional operations as executive vice president of store operations.

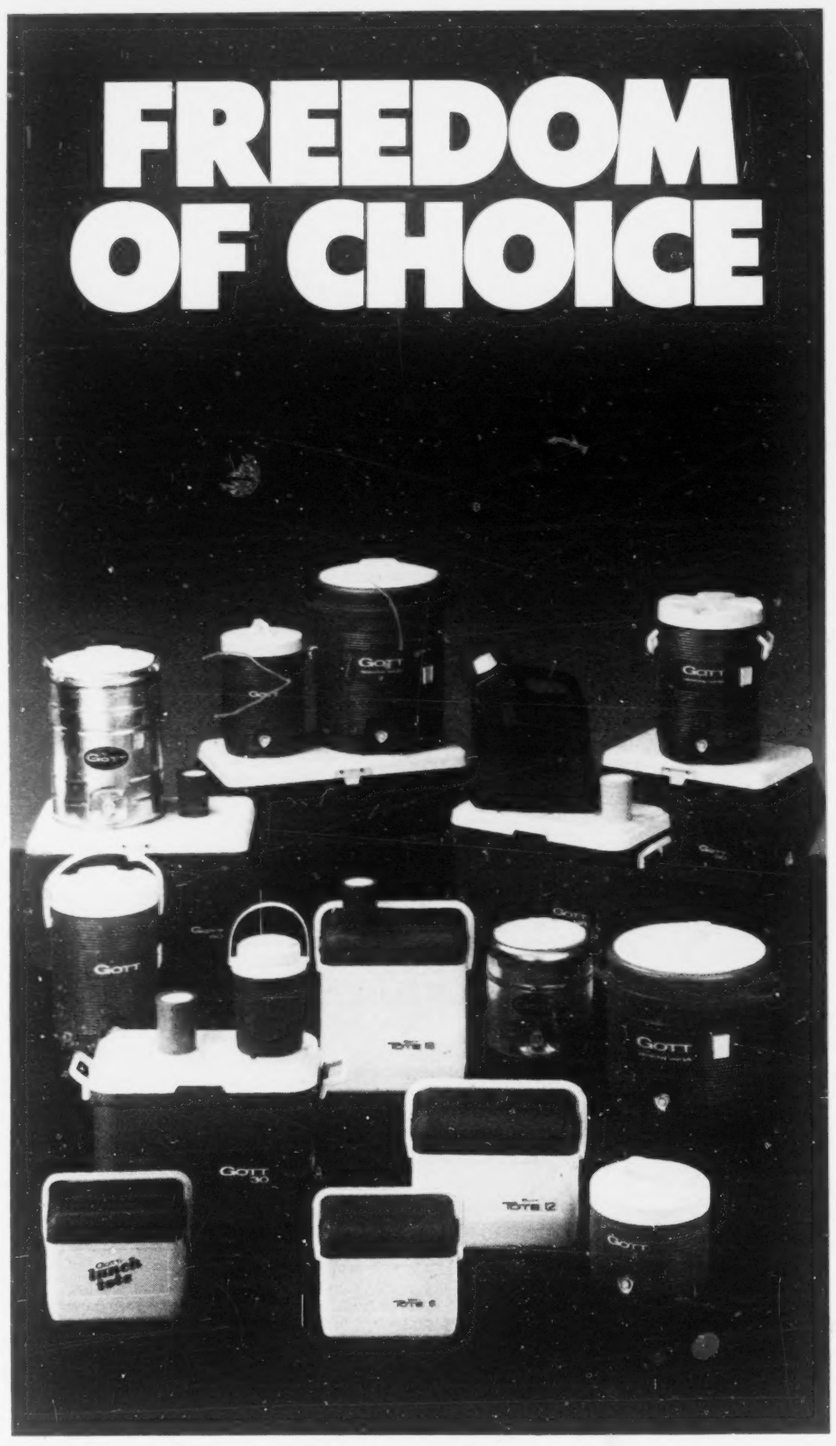
The restructuring gave the West Coast its own regional office. Region 2, formerly headquartered in St. Louis, was shifted to Los Angeles. The areas formerly handled from St. Louis were distributed among the chain's other three regions.

Target also said a new distribution center, its fourth, would be located in the Los Angeles area.

Earlier this year Dayton Hudson chairman William Andres said, "We anticipate de-

(Continued on page 56)

Having learned a lesson about conversions with the takeover of Ayr-Way, Target says it will take a different approach in converting 33 FedMarts to its format, seen here in Waco, Tex. *(DSN photo)*



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GOTT'S GOT IT.

Expansion, Remodeling Forge Ahead At Ames; Sales/Sq. Ft. Jump to $78

ROCKY HILL, Conn.—If Ames continues its three-year record of sales growth at the compound rate of 18.7%, sales will top $450 million in fiscal 1983, close to doubling volume since 1979.

Fiscal 1982 performance was a healthy one in which sales of the 113-store chain went ahead 13.4% to $383.1 million, and net profits increased by 14.7% to $9.9 million.

Figures for the year ending January 30, 1982, were, however, followed by a disappointing first quarter ending May 1. Sales dropped slightly from $82.1 million to $81.9 million for the same period last year. Net earnings went up 7.3%.

Herbert Gilman, chairman of the board, attributed the sales slump to the company's four wholesale distributors and said retail store sales went ahead. Gilman added he was "cautiously optimistic" about Ames' prospects this year.

Another loss for Ames was Jack Edwards, senior vice president, general merchandise manager, who resigned to accept a post at Henderson, N.C.-based Roses as executive vice president.

This year Ames stepped up the new store opening pace somewhat with eight new units on the drawing board. Three of them—Southwick, Mass., Walpole, N.H., and Ellsworth, Me.—opened in the first half of the year. Last year the chain opened seven new stores.

Ames, with stores in small-to-medium sized markets in 10 states from Maine to Florida, has a three-pronged game plan for growth this year. In addition to new stores, the store remodeling program—begun in 1980 as a three-unit test—is forging ahead.

Major renovations of eight stores were completed by the end of June; at least one more was scheduled before the end of the year. Ames remodeled six stores in 1981.

Further Considerations

Another part of the strategy is to increase productivity in existing stores and bring up sales per square foot which have been below the industry average. With the number of remodeled stores increasing, Ames' sales per square foot went from $70 to $78 in fiscal 1982.

The remodeling entails installation of a new prototype plus new fixturing designed with the objectives of displaying more merchandise and giving the stores more of an upscale look.

Store renovation is being financed by the April 1982 sale of 800,000 shares of common stock. With approximately $16 million realized from the sale, the chain avoided short-term debt.

Gilman told shareholders, "Our balance sheet has never been stronger." He also pointed out another positive factor—Ames' record of tight control of operating expenses.

Despite inflation in operating costs, the chain's operating, administrative and general expenses have been declining as a percentage of sales: from 24.1% in fiscal 1980 to 23.1% in fiscal 1981 to 22.9% in fiscal 1982.

By the end of last year Ames had installed point-of-sale "intelligent" terminals in every store. By the end of this year the chain expects to replace existing cash registers with automated equipment in 55 stores.

Zayre Opening 12, Modernizing 24 in 1982

FRAMINGHAM, Mass.—Zayre will continue to move ahead on three fronts this year: opening a dozen new discount stores, modernizing two dozen others and converting additional older units from mechanical to electronic registers.

Zayre's discount stores (including leased departments) will hit a projected $1.655 billion during the current fiscal year, up 13.7% from $1.465 billion. Zayre's own sales are expected to amount to $1.620 billion.

The discount stores continue to be the volume dynamos that power the diversified retailer, whose own corporate sales in the last fiscal year hit $1,797,139,000, up 12.7% from $1,594,235,000. The 26% net income gain outpaced the sales increase, going to $22,147,000 from $17,574,000.

However, the recession sharply curtailed the discount stores' performances as compared to the results turned in by Zayre's two apparel specialty store operations, Hit or Miss and T. J. Maxx.

The discount stores' share of total sales in the last fiscal year fell to 79.8% or $1,433,348,000, from 86.6% or $1,347,792,000. The specialty stores' share, meanwhile, went to 20.2% or $363,791,000 from 13.2% or $246,443,000.

Situation Analyzed

A similar situation occurred in the operating income area. Corporatewise, it went up 22.5% from $58,530,000 to $71,709,000 in the last fiscal year. But the discount stores' share fell to 57.5% or $41,220,000, from 85.7% or $50,159,000—a net dollar drop of 17.8%. The specialty stores' operating income almost quadrupled to $30,489,000 or a 42.5% share, from $8,371,000 or a 14.3% share.

Company executives cited the recession as affecting the discount stores' main customer base—"primarily working people and low-to-middle-income families."

The discounter responded to the recession in the last quarter in 1981 by "sharpening our pricing and strengthening our promotional offerings" with the result that Zayre stores had a stronger sales gain in the holiday period than the previous months and ended the year with inventories that were "well balanced and lower than they would otherwise have been."

The leaner and tighter-merchandised stores position Zayre to quickly respond to any upturn in the economy while still remaining highly competitive.

While waiting for an upturn, Zayre is continuing to modernize older stores to fit the new prototype, which includes such upgraded merchandise moves as the "What's Cookin" concept in housewares, a new bath shop presentation in domestics and addition of lifestyle modular furniture.

Renovations were made in 34 units last year and the 24 set for this year will result in 209 Zayres or 77% of the chain following the new store format.

A dozen Zayres were opened last year and two were closed resulting in a net gain of four, for a total of 258.

Zayre, Hialeah, Fla., illustrates merchandising of small durables that need service, such as auto stereo systems in front of store. This Brand Name Value Center section is now in more than 100 Zayres. *(DSN photo)*

A similar plan is projected for this year: 12 openings and four closings to end with 266 units. The growth will again be focused on markets where Zayre already has a number of stores, and includes four more for the Atlanta area where the discounter already has nine, three for Boston to go with the dozen already there and another in Chicago, home to 34 Zayres.

Roses: 10 Bows For '83

HENDERSON, N.C.—Sporting a newly refined format in nine remodeled and 11 new discount stores, Roses is expected to help its parent company close out fiscal 1982 with a sales gain of 17%.

After winning a 13% hike in sales to pump profits up 27% to $8,241,658 last year, Roses Stores Inc. is holding fast to its plan of upscaling existing discount units and deepening penetration of stronger markets.

Location of Units

The chain pulled out of the competitive Louisville market in an exchange of stores with Cook United for two units located in North Carolina and Georgia, where Roses is better established. Smaller units are still in operation outside the Louisville standard metropolitan statistical area.

Four former King's stores were also picked up, bolstering Roses' position in the North Carolina area and extending the Virginia stronghold by 30 miles—into West Virginia. (By the end of this year the chain will operate two stores in West Virginia.)

For the first half of the year the company, which operates about 180 Roses stores and 61 P. H. Rose variety stores, reported sales of $293,950,890.

Figures Analyzed

Although the company gained 9.5% in sales for the half, earnings slipped by 1.4% due to lower margins, increased advertising costs and higher utility costs. The earnings aren't considered indicative of the year by the company because of the seasonality of the retail business.

Roses, which accounts for 92% of the company's business, showed a 10.2% increase in sales for the first half and a per-store sales gain of 8%.

Ten new Roses are already planned for existing markets in 1983. The company will also continue to remodel older stores to fit the latest prototype.

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It's ANCO at its promotin' best. A rebate program with plenty of appeal to the customers who know how ANCO products can make their driving easier and safer.

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Media support is especially timely *and* heavy. Look at the kind of "pull-through" advertising and coverage ANCO will supply to bolster your own efforts. **Magazines:** We'll appear prominently with our Coupon ad with two multipage ads in *TV Guide* on Nov. 6, 1982, and Dec. 4, 1982. Over 40 million prospects can read about this money-saving ANCO program in America's most popular weekly magazine. **TV and Radio:** Add to this reading audience the millions of those who will view ANCO's "Laurel & Hardy" TV spots *plus* those hearing our "rainy day" local radio messages. **Point-of-Purchase:** Lively in-store materials will also be informing your customers that big things are happening with ANCO. Ask your representative or supplier for details.

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So don't delay! Stock up now. ANCO's "Great Coupon Clippers Derby" is ready to help you promote for profit.

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Gary, Indiana 46440

Discount Store Census '82/'83

New Store Prototype Is Being Unwrapped By Jefferson/Ward

Jewelry department is spotted at front of Jefferson/Ward stores, as in Woodbury, N.J., unit which was recycled and traded up from format used by previous owners. *(DSN photo)*

MIAMI—There's a new Jefferson/Ward coming.

The discount store arm of Montgomery Ward was due, at presstime, to show off a new prototype store in North Miami that has been developed by the Jefferson/Ward team assembled during the past 18 months.

The new store will be the clearest manifestation of the repositioning of the chain as a promotional department store, a refinement of the upscale discounters from which Jefferson/Ward plucked most of its top executives.

Parts of the total package have already gone into a number of Jefferson/Wards. These elements include a greater exposure of name brand merchandise at the expense of private label Montgomery Ward goods; use of which has been sharply cut back; and a narrower but deeper assortment, so that the discounter takes a dominant stance in key, consumer-demand categories such as apparel.

A practical result of this merchandising is more productive use of Jefferson/Ward's inventory investment to make the discounter less of a burden on its financially troubled parent.

Montgomery Ward, which lost $160 million on $5.7 billion in sales (including about $560 million from Jefferson/Ward) last year, required infusion of about $575 million during the past two years from its parent, Mobil.

Directing the discounter's dollars to categories and items that generate maximum sales and profits, rather than being shotgunned across the merchandise spectrum, reflects the retailing philosophy of Montgomery/Ward head Stephen Pistner, who had been president of Target where he successfully executed such a program.

Jefferson/Ward's new executive staff is the product of one of the largest shifts in management in the discount industry's history.

The hiring of about a dozen executives and the resulting staff realignment into distinct operational and merchandising components are among the most obvious changes at the chain.

A plan to convert as many as 114 Montgomery Ward stores to Jefferson/Wards has been put off and the actual number that will be remerchandised is in doubt; the parent company has already closed 33 of the units targeted for conversion.

Jefferson/Ward is in a holding pattern as its super-parent Mobil awaits the outcome of the changes due at the discounter and its parent department store company. The success or failure of these moves will determine whether Mobil retains its retailing operations or loses interest in them.

The staff structure put into effect in Miami over the past year was part of the laying of the ground for a new Jefferson/Ward.

This structure has Arnold Suval as chairman, responsible for the long-range development of the chain, with Arthur (Jim) Baumann as president, overseeing day-to-day operations.

The merchandising side has three senior vice presidents: one for soft lines (Richard Jolosky), and two for hard lines (Richard Evans and Louis Schultz).

The operations side's top executive post was vacant at presstime. It had been held by Ed Dixon, senior vp, store operations, who was killed in an airplane crash in New Orleans in July. Martin Baker heads up the advertising effort as senior vp, sales promotion.

Target

(Continued from page 53)

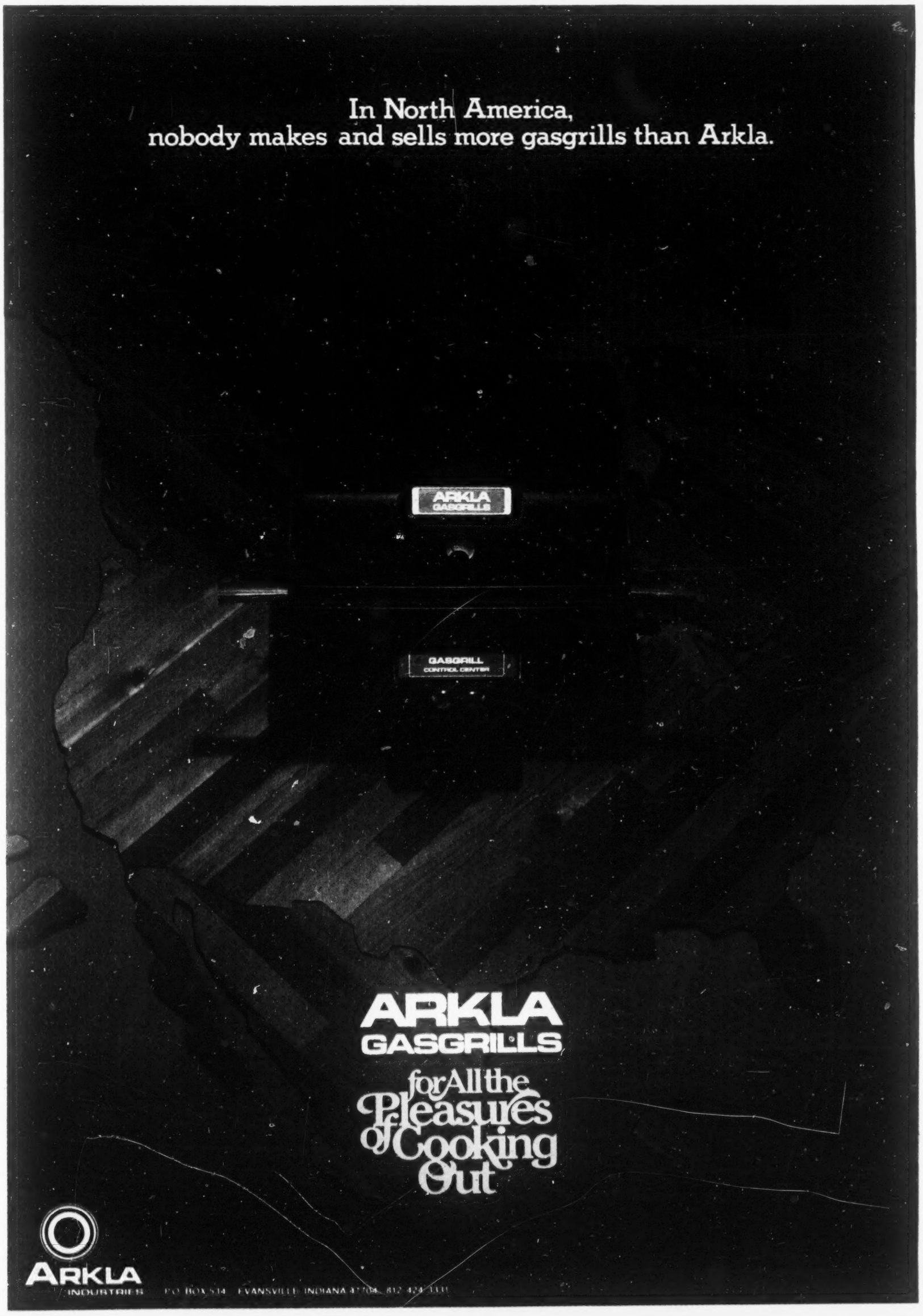
ferring about 20% of our previously announced capital investment plans, and Target will bear the heaviest brunt of that cutback."

Before this announcement, Target was scheduled to add about 85 units between 1982 and 1986.

Target ended 1981 with 151 stores. A total of 18 new stores will be opened during calendar 1982 bringing the chain to 167 stores. The FedMart stores will add another 33 to the fold. Six stores in San Antonio, a new market for the chain in Texas, have been announced as opening in spring 1983.

Floyd Hall, Target's chairman, said the company's plan for the FedMart sites "is to completely convert these [FedMart] buildings to the Target format. . . ." He added that the remodeling of the California stores would begin as soon as possible and be completed in April-May 1983. The Arizona and El Paso stores are scheduled to open later, in summer 1983.

The chain's February and March sales were up 23% and 18%, respectively; May sales were ahead by 17%; June, 14%, and July, 16%.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Zodys to Slow Expansion In '83 After 2-Year Push

LOS ANGELES—After growing at a rapid rate in the last two years, Zodys plans to slow down its expansion thrust going into 1983 with only two to three stores projected in each of the next two years.

"Our expansion beyond this year will become more modest, as we digest both operationally and financially, the strong programs of last year and this," said Edward Solomon, chairman, president and ceo of Zodys' parent company, HRT Industries Inc.

In the past two years, the discounter added 14 new stores—seven of which were takeovers from Gold Circle, which pulled out of the California marketplace.

With the Ceres, Calif., unit, south of Modesto, and the East Riverside store both opened in August, Zodys brought on line seven new stores this year, bringing its store count to 55. Seven takeovers—four in San Jose and three in Sacramento—are expected to boost Zodys' owner-operated sales in fiscal '83 by about $50 million, Solomon said.

In California, the discounter extended its northern boundaries to Sacramento and its southern boundaries to Oceanside, about 50 miles south of Los Angeles, in the past 12 months. The chain also bolstered its inland California run from Sacramento with its Ceres store opening. Next year, the new units will be in states and areas in which the chain already operates.

"As a result of that ambitious program, we are poised to capitalize significantly on an upturn in the economy when it does occur," Solomon said.

HRT Industries owner-operated sales for the current fiscal year are projected to exceed $475 million, up 21.5% over last year's $391 million. Zodys' contribution to total corporate sales this year is expected to near 80% or around $380 million as a result of the company's sale of its 68-unit Hartfield chain to Petrie Stores earlier this year.

Zodys' rapid expansion, coupled with Shoe Stop's strong and continued growth, is expected to catapult HRT Industries sales to nearly $600 million in fiscal 1985.

For the fiscal year ended Jan. 29, Zodys' sales rose 24.6% to $310.03 million, excluding sales of licensed departments. HRT Industries net income for the year was $6.6 million, compared to $2.95 million a year earlier, with store-for-store sales in all retail divisions up 8%.

Within the next two years, Zodys expects to complete its chainwide upgrading and refurbishment program with only 12 units left to complete.

HRT Industries' capital expenditures for the current year will near $9 million net of leasing, with that sum decreasing to about $6 million and $5 million respectively in the two subsequent years, Solomon said.

In addition to new stores and Zodys' upgrade program, capital expenditures will include the completion of the POS register installations and related equipment in the Zodys division, as well as the equipping of a new distribution facility in the Greater Los Angeles Area in fiscal '84.

"These latter expenditures," Solomon said, "are geared to provide us with more efficient inventory control and speedier distribution of merchandise."

Zodys' refurbishment program includes the rollout of 500-sq.-ft. franchised cosmetics departments, expected to increase sales by 25% and complement the chain's upgraded apparel presentation.

Gemco/Memco Net Depressed By Recession

BUENA PARK, Calif.—Gemco/Memco, the discount department store division of Lucky Stores, continues to be adversely affected by the recessionary climate.

Pretax earnings dropped a sharp 92.5% to $160,000 for the first quarter ended May 2, as sales rose 9.4% to $442 million for the period.

Operating cost increases and continued softness in the economy are preventing any rebound in Gemco/Memco's earnings, as well as Lucky's specialty stores, and this is expected to cause a further decline from last year in Lucky's second quarter earnings, which were not available at presstime.

"The department stores' primary customer base has been particularly hard-hit by inflation in basic living expenses and lack of credit availability," according to S. Donley Ritchie, Lucky chairman and ceo.

Shifting Attitudes

"Consumers have become cautious spenders and this has affected sales of higher priced or discretionary items such as household appliances, jewelry, sporting goods and some apparel items," he said, adding "basic merchandise continues to sell well."

For the second consecutive year, Gemco/Memco's year-end figures (Jan. 31) were again disappointing with pretax earnings, after LIFO charges, dipping 24.7% to $31.4 million on a sales gain of 12.3% to $1.87 billion.

The discounter's operating results for the last completed fiscal year reflected a sizable nonrecurring loss associated with the year-end closing of two Memco stores in North Carolina and one in Richmond, Va. In addition, the Memco stores had a significant negative impact on the division's earnings because of a food price war in the Washington, D.C. area. Earnings were further impacted by price reductions and

(Continued on page 62)

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Discount Store Census '82/'83

Gold Circle, on Expansion Kick, Eyes $500 Million Biz

WORTHINGTON, Ohio—Gold Circle looks to post a 26% sales gain this year, anticipating volume of $500 million vs. $397 million a year ago, based on its expanded base in the Midwest and northeastern corridor.

The chain, one of Federated Department Stores' two discount divisions, began the year with 36 units, after having shed seven California stores last year.

The California stores, deemed unprofitable because of their distant locale, were leased to Zodys. Federated reported the closed California units combined with its shuttered Gold Triangle division to account for $42.9 million in volume and a $1.6 million loss in operating profit in 1981.

Gold Circle and Richway, its sister discount division, together contributed $663.5 million in sales or 9.4% of Federated's total, and $18.8 million or 3.1% of total company operating profit in 1981.

More Important Role

With new units in existing markets in Ohio, Pennsylvania and Rochester, and a new foothold in upstate New York through the acquisition of Twin Fair stores, Gold Circle looks to up its contribution to the parent company's total sales.

In a leasing agreement with Twin Fair for seven units, Gold Circle agreed to issue to Twin Fair $14 million in six-year noninterest bearing notes and to loan the company $2.5 million repayable at 12% interest over five years.

Through the seven-unit Twin Fair acquisition, Gold Circle makes its entry into the Buffalo-western New York market, and adds to its presence in the state. The new market entry complements the chain's distribution and advertising systems already in place for Rochester.

Gold Circle will also open its fifth Rochester unit this fall. Almost simultaneously, a new unit will open in Pittsburgh to give the chain five in that market.

Earlier in the year, Gold Circle added to its northeastern Ohio market presence with the takeover of three ex-Clarkins units which gave the chain a total of 30 in its home state.

Gold Circle, despite having stores in some of the most recession-riddled states in the nation, particularly its home state, reported it had managed to improve same-store performance during the first quarter and into the second quarter.

Comparable-store sales for the period were 17% ahead of those a year earlier, placing Gold Circle's performance with the creme of the crop in discounting and in its Federated stable. The chain in 1981 had comparable-store sales 12% better than those posted in 1980.

Upswing Noted

For the 26-week period ended July 31, Federated noted that Gold Circle and Richway's combined 17.2% increase in sales to $320.3 million from $273.3 million, was stronger than results posted by most of the company's department and specialty stores.

Gold Circle's chairman and ceo Norman Matthews attributed the chain's success to new strategies in inventory management, advertising and marketing.

Among new marketing strategies, the chain is treating departments as "separate shops under one roof."

The Twin Fair remakes, like the Clarkins takeovers and Gold Circle's new units, refine the new look Gold Circle developed for its Severance Mall, Cleveland Heights, Ohio, unit which came on line last December.

The Severance unit, at 85,000 sq. ft., about 25% smaller than the average Gold Circle, was the first newly built Gold Circle to receive a race track format and department repositioning that focuses on soft lines.

Matthews said Gold Circle's decision to build smaller units in the future is an effort to increase its gross margin return on investment.

Gemco/Memco

(Continued from page 61)

increased advertising in an extremely competitive environment.

The chain continues to apply its philosophy of sacrificing short-term profit margins for long-term sales gains. Gemco stores operating in California, which numbered 59 at year-end, averaged nearly $30 million each in sales during 1981.

In an effort to pare some of the adverse effects of the economy, Gemco/Memco embarked on a new combined radio and television advertising campaign strictly in the Southwest, according to Peter Harris, president.

Typically, the chain's primary advertising vehicle is its direct mail Gemco Courier, which is distributed monthly to the chain's membership lists. The new ad campaign, started about mid-May, is a combination of an institutional ad and specific product promotions.

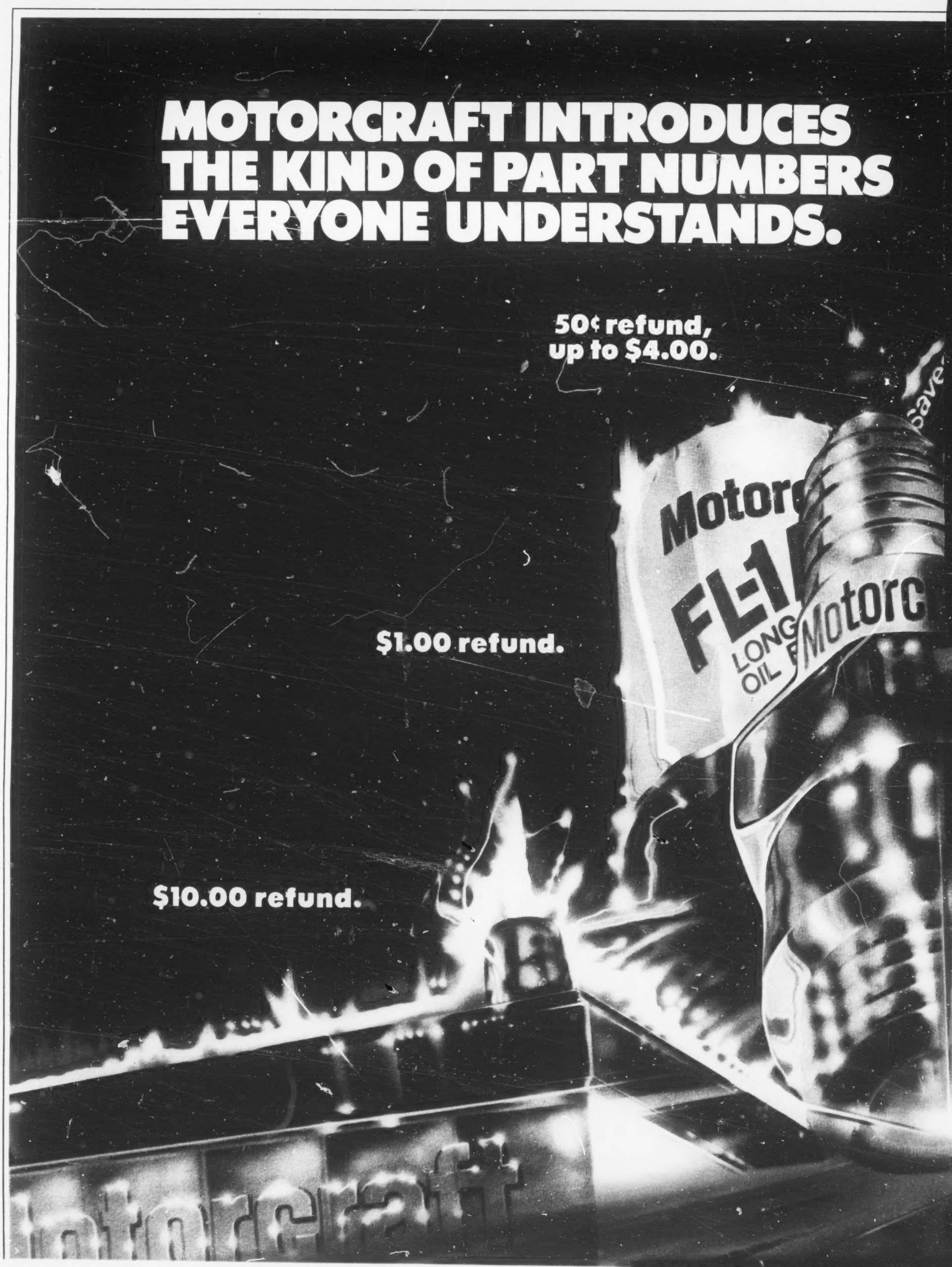
The various spots emphasize that the chain has lowered prices even further and 1,000 prices have been reduced storewide. This is in addition to the 3,000 food prices that have been reduced in the chain's grocery department, which takes up about 20% of the store's selling space.

New Approach

Gemco/Memco also broke away from tradition this year by running a major newspaper advertising campaign announcing that Gemco stores in Arizona and California would now be open seven days a week including Mondays. Historically the majority of Gemco/Memco stores operate only six days a week, closing on Mondays.

While the move is in part attributable to the economic climate and customer preference, some sources say the chain is positioning itself as the discount department store that can fill the market void resulting from FedMart's closing. The ads ran for several weeks prior to FedMart's shutdown and included a membership application at the bottom of the page and spotlighted various name-brand products and prices.

The retailer did pick up the pharmacy inventories and files of 27 FedMart stores in southern California and had a direct mail piece to each former FedMart customer on those lists within five days of taking over the inventories.



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Discount Store Census '82/'83

Hills has added a snack bar in store lobbies to boost sales while increasing services to shoppers. All new stores, as in Niagara Falls, N.Y., plus remodeled Hills, are getting it. *(DSN photos)*

Hills Opening Seven in 1982, Including Its First in Syracuse

CANTON, Mass.—Hills will invade Syracuse for the first time this fall as the discounter sets its sights on the 100-store mark.

The Syracuse unit will be one of seven new stores opened in 1982 by the 93-unit discount division of SCOA Industries.

Hills has already opened 80,000-sq.-ft. stores in the Short Hills, Pa., suburb of Pittsburgh and in Bloomington, Ind., this year.

The other four stores due in 1982 will be in western Pennsylvania, an area where Hills already has more than two dozen units, including a dozen in the Greater Pittsburgh market.

The move into Syracuse is an eastward thrust from the Greater Buffalo-Niagara Falls Area in New York where the discounter already has eight stores.

If Hills carries out its usual program of blanketing a market with a number of stores, the premiere Syracuse unit will be followed by additional stores next year.

Improvement Reported

The steady store growth—10 units were also unveiled last year—comes as the discounter continues to refurbish and update older Hills, including phasing in such new departments as snack bars.

Hills' three-year modernization program is due to be completed this year and will result in all stores having new signing and new wall decor.

The snack bars, which have become standard in new stores opened in the past 18 months, were installed in 14 older stores last year and will be added to 20 such Hills this year.

The snack bars are at the entrance and replace vending machines, thereby generating greater sales and profits for the discounter.

Hand in hand with Hills' physical upgrading is the discounter's upgrading of soft goods to feature more name brands, with Bon Jour, Lee and Wrangler among the lines already added.

A similar stepped-up focus on name brands has taken place in Hills' shoe department which is run by SCOA's retail footwear division.

The discounter's focus on greater brand identification for apparel reflects the importance of soft goods to Hills' overall mix. Soft goods account for about 60% of its sales, one of the highest percentages of any discounter.

Aiding the discounter's sales of soft goods is its computerized merchandising program. Hills was one of the first discounters to develop such a program.

DSN projects Hills will generate about $910 million in sales this year, up about 15% from an estimated $790 million last year.

$1.50 refund on 5 quarts.

The part numbers we're talking about are consumer refunds — a total of $19.50 from September through January. In fact, we've doubled previous refunds on spark plugs and batteries.

In September, October, and November, there's up to $7.50 back on plugs, filters, and oil: the Motorcraft products retail customers use most in the Fall. Plus a $1.00 refund for buying two or more of these Motorcraft products at the same time. And a coupon worth another $1.00 toward the customer's next Motorcraft purchase. That's a total of $9.50. Then, November through January, there's a $10 refund on batteries.

That's a total of $19.50 in consumer refunds from September through January, to get do-it-yourselfers into your store, and to keep them coming back.

To help build profits while building traffic, eligible accounts get healthy product discounts and 100% co-op advertising on qualifying purchases.

There's also extensive national advertising on TV, radio, in magazines and newspapers, as well as attractive point-of-purchase. For complete information, contact your Motorcraft supplier. Or call 1-800-521-4114. (1-800-482-4102 in Michigan.)

This Fall, stock the part numbers your customers understand. From Motorcraft.

Motorcraft

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$1.00 refund.

Four-Point Plan Set By Cook

MAPLE HEIGHTS, Ohio—Cook United hopes to put itself on the road to recovery with a four-point program keying on existing strong markets, its new apparel distribution center, a new electronic reorder system and a consolidation of staff functions.

The plan, outlined by president and newly appointed ceo George Jeffers at the chain's June annual meeting, is expected to boost the chain's sales to an estimated $639 million from $583.6 million last year.

Net earnings last year moved to $9.7 million, a considerable improvement over the $2.7 million in the prior year. The chain operates 119 stores.

Increased Sales

The new plan was put in place on the heels of a weak first quarter which showed a net loss of $3.2 million compared to the prior-year quarter which showed a $122,000 profit. First-quarter net sales rose 23%, however, to $198.4 million from $161.8 million in the first quarter of 1981.

Company execs attributed the poor performance to the inclusion of the 47 Rink's stores acquired by the chain in April 1981. It also cited one-time costs incurred in the consolidation and streamlining of Cook's retail and wholesale operations.

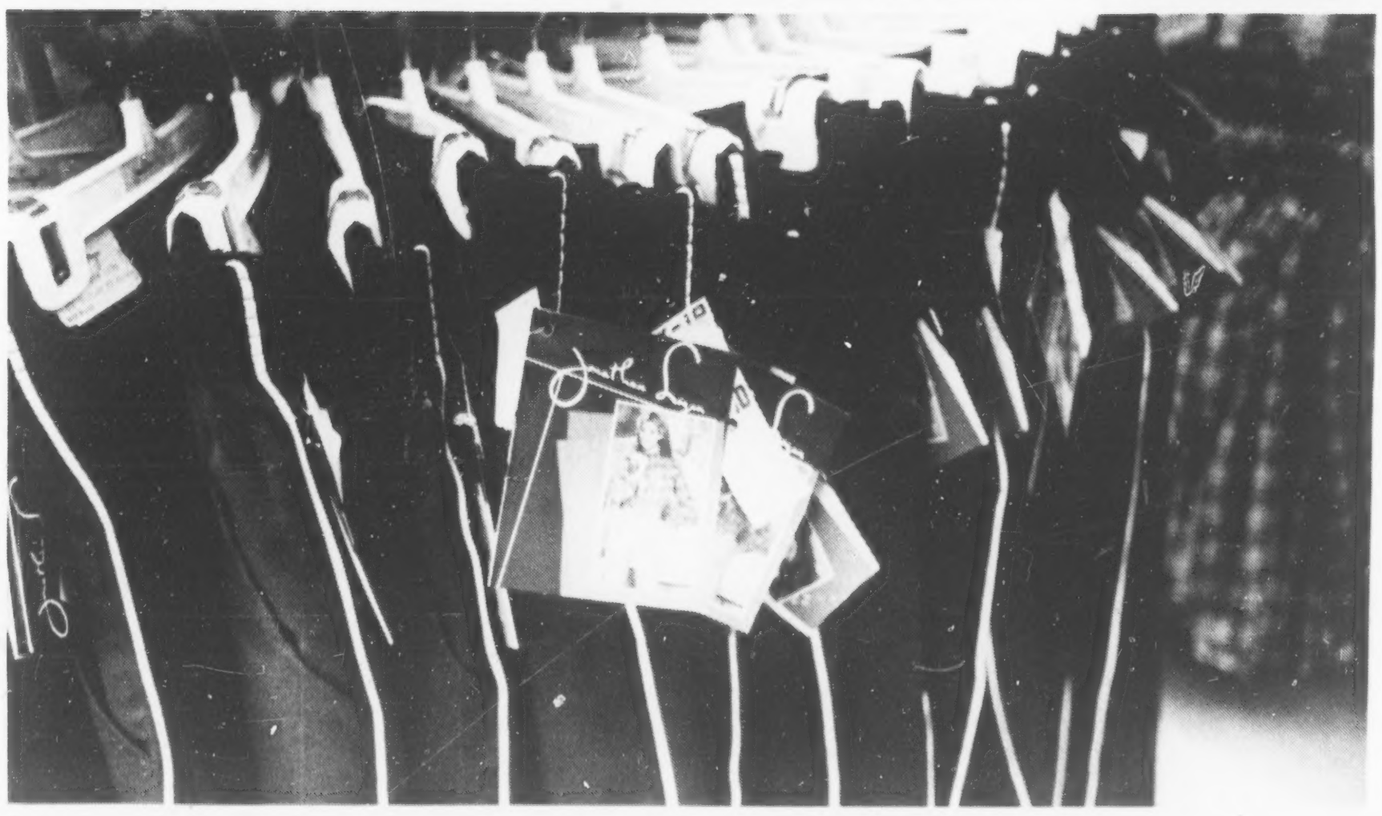
Those operations now consist of Cook's, Rink's, Consolidated Sales and Uncle Bill's. Those realignments are hoped to provide better store supervision, better distribution and are of crucial importance to insure seasonal merchandising needs of the company's varying regions, according to the chain's president.

1982-83 DISCOUNT STORE MERCHANDISING PROFILES

Ladies' Apparel Leads in Biz, Turns

Category	Discount Volume in Billions	Sales Per Store (add 000)	Dept. Size	Annual Sales/ Sq. Ft.	Annual Turns	% Initial Markup	% Gross Margin
Ladies' Apparel	$11.8	$1,424	10,000	$142	5.9	46%	36.0%
Men's & Boys'	6.6	797	7,600	105	4.0	41	35.0
Housewares	5.3	639	5,750	111	3.9	36	31.0
Automotive	4.5	543	2,280	238	3.5	34	27.0
Health & Beauty Aids	4.6	555	2,275	243	4.2	25	22.3
Hardware	4.1	495	3,210	154	2.5	40	34.0
Consumer Electronics	4.3	519	2,200	235	2.9	30	17.0
Toys	3.5	422	2,650	159	3.4	37	31.0
Sporting Goods	3.1	374	2,500	149	2.5	37	31.0
Photo & Camera	2.9	350	675	518	3.2	23	17.0
Domestics	2.5	301	3,125	96	3.0	42	35.0
Personal Care Electrics	2.5	301	900	334	4.0	22	16.0
Stationery	1.6	193	1,800	107	3.2	45	40.0
Records & Tapes	1.6	193	1,050	183	3.4	25	23.0
Electric Housewares	1.5	181	875	206	4.0	23	16.0
Paint	1.5	181	1,270	142	2.1	44	37.0
Fabrics & Sewing	1.1	132	1,350	98	2.2	45	39.0
Jewelry	1.1	132	550	240	2.5	48	42.0
Glassware	0.6	72	625	115	4.0	42	37.0

(Source: DSN Research)



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Discount Store Census '82/'83

Home/Office, Greeting Cards Look Strong

Registering sales gains of close to 7% so far this year, discounters expect stationery volume to pick up even more before year's end.

Two blossoming categories, home office supplies and greeting cards, are pegged as this year's sure winners.

With the boom in home/office sales and the trend toward higher-priced individual greeting cards—both developing in the past few years—this year chains set apart home/office and increased assortments in both categories to boost sales during back-to-school and Christmas.

Counter cards saved the day for most discounters' greeting card programs last Christmas, after postage rates jumped 33% during 1981 further hurting the already soft boxed card sales. Boxed card sales slumped as much as 35%

Gold Circle, Magic Mart and Prange-Way are among chains that managed to garner card sales increases of about 25% during 1981 due to the popularity of individual counter cards. This year the chains implemented shifts in strategies to tap last year's market changes and are confident of even stronger card sales for Christmas of 1982.

New Strategy

Prange-Way buyer Barbara Batzner trimmed down on boxed cards and traded up to price points as high as $8. The assortment of individual counter cards, particularly licensed cards, was expanded along with category footage.

Magic Mart buyer Mark Dawson is following a similar plan:

"We're going to put in fewer boxed cards, keeping the prices in the $2 to $7 range. But we're going to concentrate on more expensive counter cards, including very large, foot-high cards."

At Heck's, Larry Lacey upgraded his card assortment by changing vendors. He believes the trade-up strategy is a direct result of last year's postal hikes.

"People realized they were spending more on postage than on the card itself," said Lacey, emphasizing that consumers are spending more for quality of the fewer special cards they're sending.

Setup Is Refined

Along with an upgraded selection, discounters have upped the space allocated to contemporary studio cards. At S. E. Nichols in New York, buyer George Scott reported increasing facings in sections expanded from 40 ft. to 80 ft. In larger units sections are as large as 100 ft.

Gold Circle switched to higher fixtures that allow greater visibility and offer more display space. The Ohio-based chain now uses fixtures 72-in. high as opposed to the 48-in.-high models.

John Martin, buyer for the chain, reported pushing the top price on his counter card selection from 50¢ to 72¢ for a single card.

To boost back-to-school sales as high as 50%, Martin broadened the assortment of home/office supplies in his department. Resources were cut back to two or three manufacturers

"We wanted to be able to offer a broad assortment at varied price points," Martin said.

Stationery

- Discount Store Sales . . $1.6 Billion
- Sales per Store $193,000
- Department Size . . . . 1,800 Sq. Ft.
- Annual Sales per Sq. Ft. $107
- Annual Turns 3.2
- Initial Markup 45%
- Gross Margin 40%

BOXSCORE

Contemporary counter cards are getting more space from discounters as they continue to generate greater sales. At Gold Circle, Springdale, Ohio, an endcap display is used to play up the cards. *(DSN photo)*

Monarch's
PROMOTIONAL
LABEL
Says it BIG, SELLS it BIG!

Introducing Monarch's new promotional labeler, the Model 1176 — with an improved "reservoir" inking system to keep marking crisp and clean as well as bold. It prints huge 7 mm x 5 mm characters on a new, large-sized promotional label (shown actual size above) to increase in-store buying clues that trigger impulse purchases. Even influence customers to buy extra units of their planned purchases.

Merchandising through Monarch's 1176 promotional labels creates an aura of bargains in your store. They alert your price-sensitive customers to hot specials, even boost the sale of high-margin goods.

Huge price characters and attention-getting labels help extend your value/price image from promotional merchandise to your regular-margin merchandise.

Increase stock turns through multiple item purchases and impulse sales, use Monarch's 1176 promotional labels. For more information, write Monarch Marking Systems, Inc., Dept. 922, P.O. Box 608, Dayton, Ohio, 45401.

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CONSUMER ELECTRONICS

Discount Store Census '82/'83

Sales Are Zooming 20% to $4.3 Billion

CE

- Discount Store Sales . . $4.3 Billion
- Sales per Store $519,000
- Department Size . . . . 2,200 Sq. Ft.
- Annual Sales per Sq. Ft. $235
- Annual Turns 2.9
- Initial Markup 30%
- Gross Margin 17%

BOXSCORE

The best action in CE may be in video, but discounters are still finding strong audio sales in compact stereos such as this one featured in the center of Murphy's Mart's department in Charleston, W. Va. *(DSN photo)*

Throughout much of this year, the response to "what's faring well" has been answered by chain executives: "CE."

The consumer electronics department, while not impervious to hardships produced by the economy, was backed by the magic wand of technological innovations—particularly in video—for which American consumers have developed an ever-increasing appetite.

Department sales forged ahead 20% to $4.3 billion, up from 1981's $3.6 billion. Sales per square foot advanced 6% to $235.

Annual turns slipped, however, from 3.0 to 2.9. Initial markup rose by two percentage points but gross margins fell a percentage point to 17%.

For 1983, home entertainment video mediums look to trigger even greater growth.

Acknowledging explosive potential and better margins in the still-so-new home computer category, discounters have sprouted programs almost overnight. Where less than half a dozen chains explored a pioneer trail in computer merchandising, the route has widened to pull in most of the top discounters—K mart, Wal-Mart, Fred Meyer, Venture, Target, Caldor, Zayre, Hills, Gold Circle, Jamesway, Richway, Murphy's Mart . . . and the end is not yet anywhere in sight.

Rising Trend

While most still qualify their programs as "tests"—from positioning in stores to breadth of assortment—what were one-to-two-unit tests on endcaps and a gondola run have become "departments" with up to four vendors.

Atari 400 and Texas Instruments 99/4A still lead the personal computer vendor pack, but in head-to-head battles for positioning come Commodore's Vic 20 and Timex's Sinclair 1000.

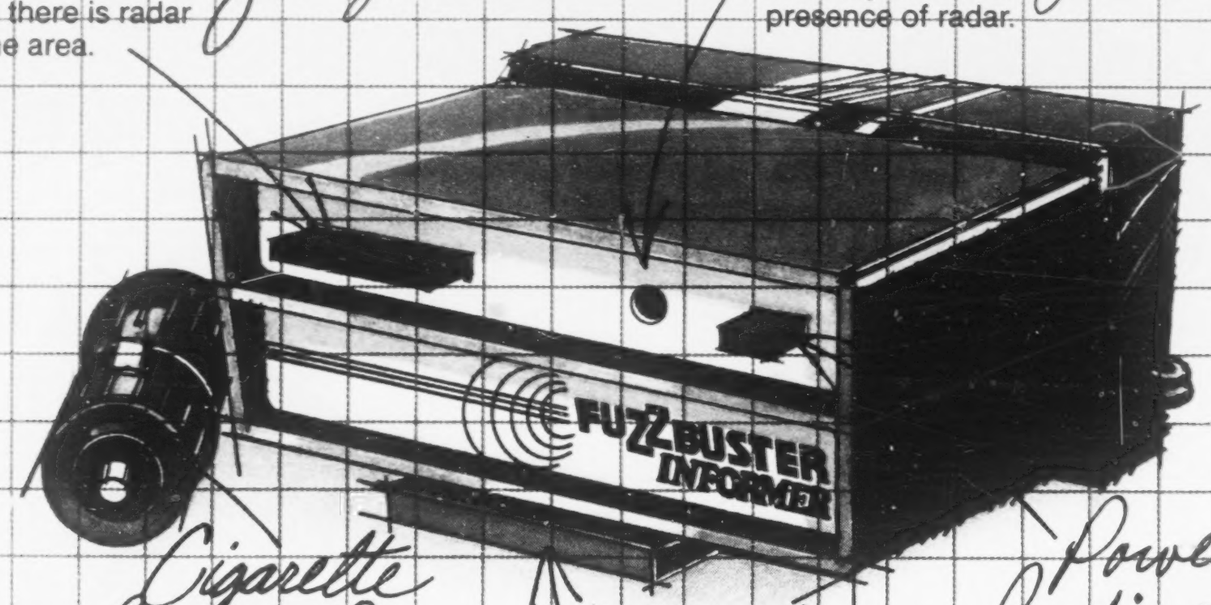
Based on industry sources, the Electronic Industries Association (EIA) projects that by the end of 1982 some two million personal computers will be shipped to dealers.

A breakdown for 1982 unit sales in the category shows: 500,000 hand-helds; 100,000 portables; 650,000 for under $1,000 retail, and 750,000 to retail from $1,000 to $5,000.

Introducing the new
FUZZBUSTER® INFORMER

LED Warning Lights
Inform you there is radar in the area.

Audio Warning Signal
Alerts you to the presence of radar.



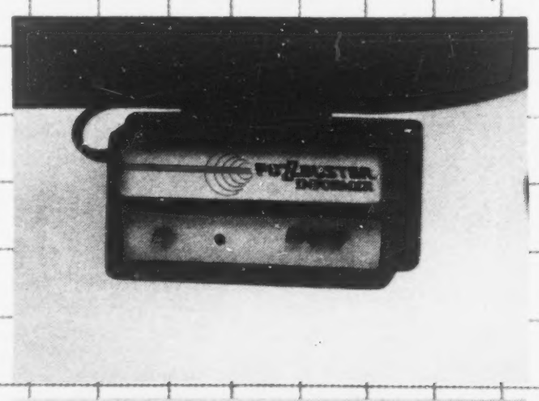
Cigarette Lighter Plug
Mount your unit, plug it in and you're ready to drive.

Mounting Bracket
For visor or dash mount.

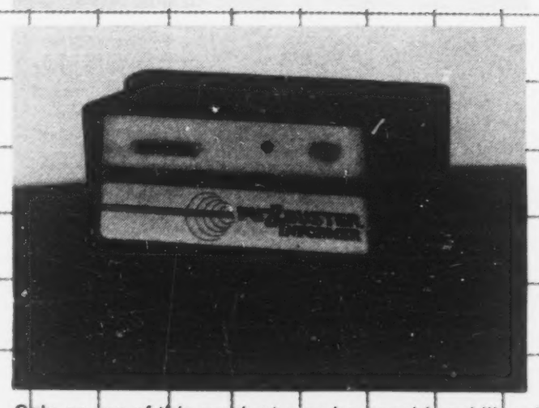
Power Indicator Light
Lets you know when it's on and you're protected.

The Name To Remember...

Light years ahead of its time at an affordable price. The Fuzzbuster Informer picks up all types of radar, even the "off" frequency signals other units miss entirely. The Fuzzbuster Informer is low in cost—yet high in performance. Best of all, the Fuzzbuster Informer is completely automatic, no knobs to turn or buttons to push. Always operating at the highest degree of sensitivity. Simply plug it in and you're ready to drive. This new technological breakthrough has created a radar detector so compact and light weight, it can easily be visor-mounted. (The unit comes with its own mounting bracket).



Visor Mounted Informer



Dash Mounted Informer

Perfecting the art of discovery...

electrolert, inc.

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DOMESTICS

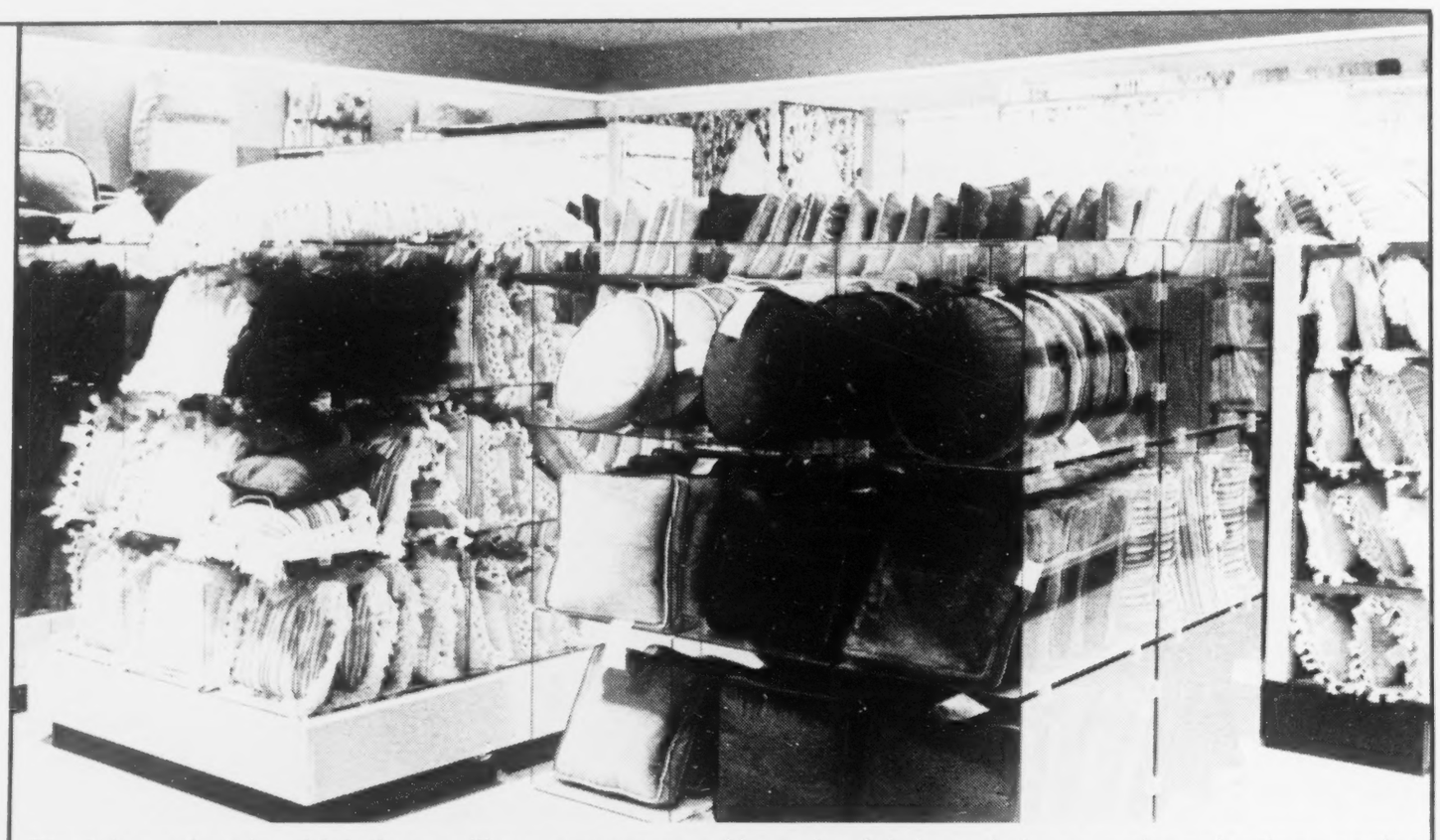
Discount Store Census '82/'83

Tradeup Gains, But Price Promos Pull

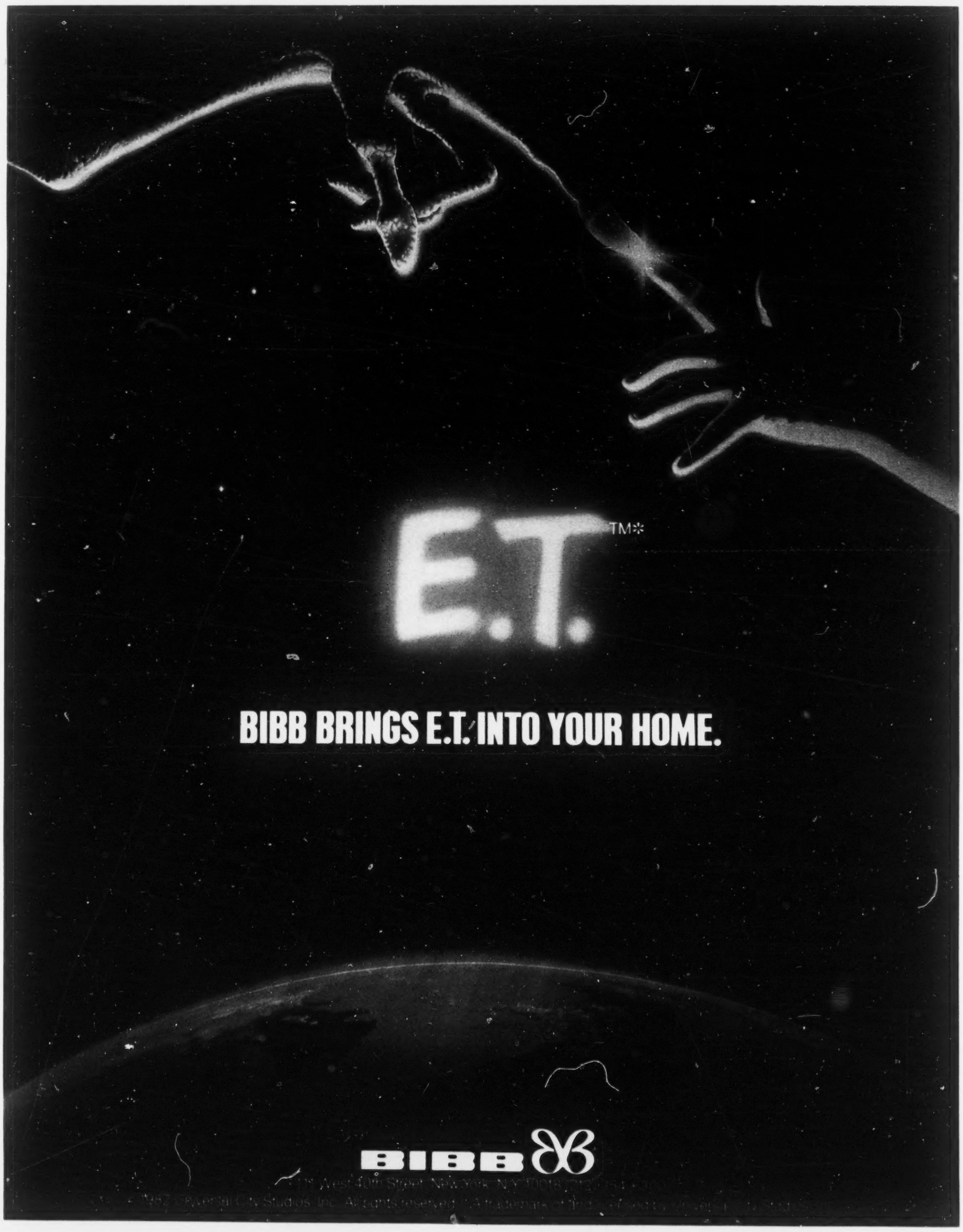
Domestics

- Discount Store Sales . . $2.5 Billion
- Sales per Store $301,000
- Department Size . . . . 3,125 Sq. Ft.
- Annual Sales per Sq. Ft. $96
- Annual Turns 3.0
- Initial Markup 42%
- Gross Margin 35%

BOXSCORE



Plexiglas cubes in which throw pillows are arranged by color, fabric and shape make selections easier for Gold Circle's customers at the Cleveland Heights, Ohio, store. *(DSN photo)*



Discounters didn't hit the bull's-eye in domestics departments this year.

Despite efforts to expand this high-margin area, sales are soft, inching ahead to $2.5 billion, 4.2% ahead of last year.

Sales per store are seen gaining 2.3%, reaching an average of $301,000. Annual sales per square foot have moved up slightly from $94 to $96. Markup and gross margin are staying even with last year.

In one aspect, domestics' performance looks to take a small step backward. Stockturns are projected to dip from 3.6 to 3.4 this year.

The total scorecard zeros in on the dilemma posed by the domestics area. While discounters continue their efforts to trade up—in price points and merchandise presentation—bed, bath and kitchen domestics sales remain stimulated primarily by price promotions. But, the frequency of promotions plus the sharp prices it takes to move merchandise in quantity have a way of buffeting margins.

Situation Analyzed

Last year's figures show discounters in the midst of a balancing act in which they held gross margins at 35% but didn't gain much in volume and slipped in stock turns.

An area representing a bright spot is kitchen textiles, with a wide range of strong-selling items—dish towels, potholders, appliance covers, placemats and table covers.

In this domestics category chains have been successfully exploiting customers' tendency to do more entertaining at home, and the popularity of such fashion trends as the Americana, wicker and Oriental looks.

Fishers Big Wheel pointed to kitchen textiles as the "best growth category in domestics." With a 50% increase in 1981 being followed by gains in the area of 40% in 1982—in tabletop items—this chain's enthusiasm is understandable.

ShopKo increased its sku's in kitchen ensembles this year, from 24-30 to 32. At the same time, recognizing the price sensitivity of the dish towel category, Fishers kept this item promotionally priced, from $1.99 to $2.99, but shot for higher markups in other items.

HARDWARE

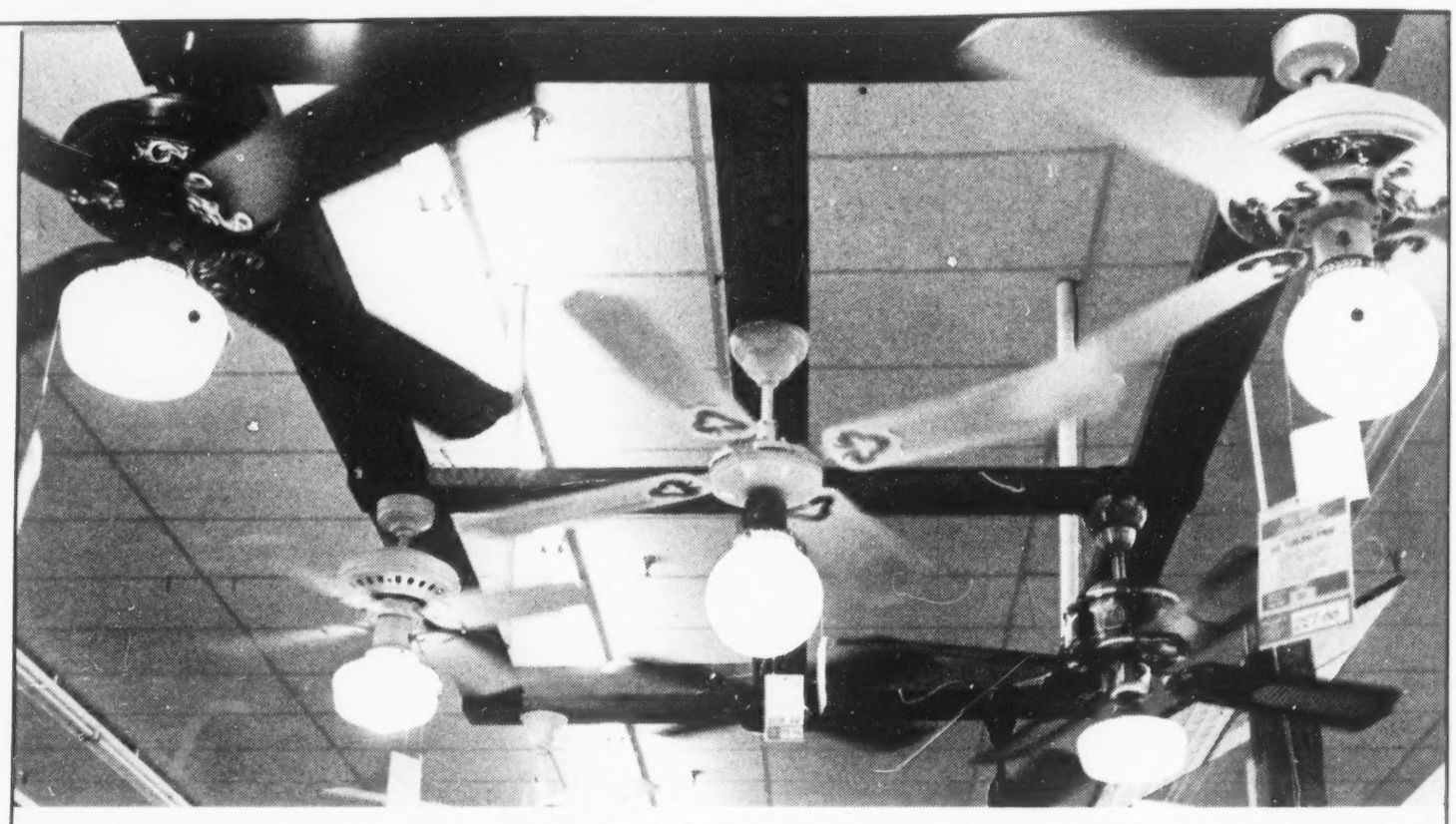
Discount Store Census '82/'83

Sure Sellers to Get Bigger Promo Push

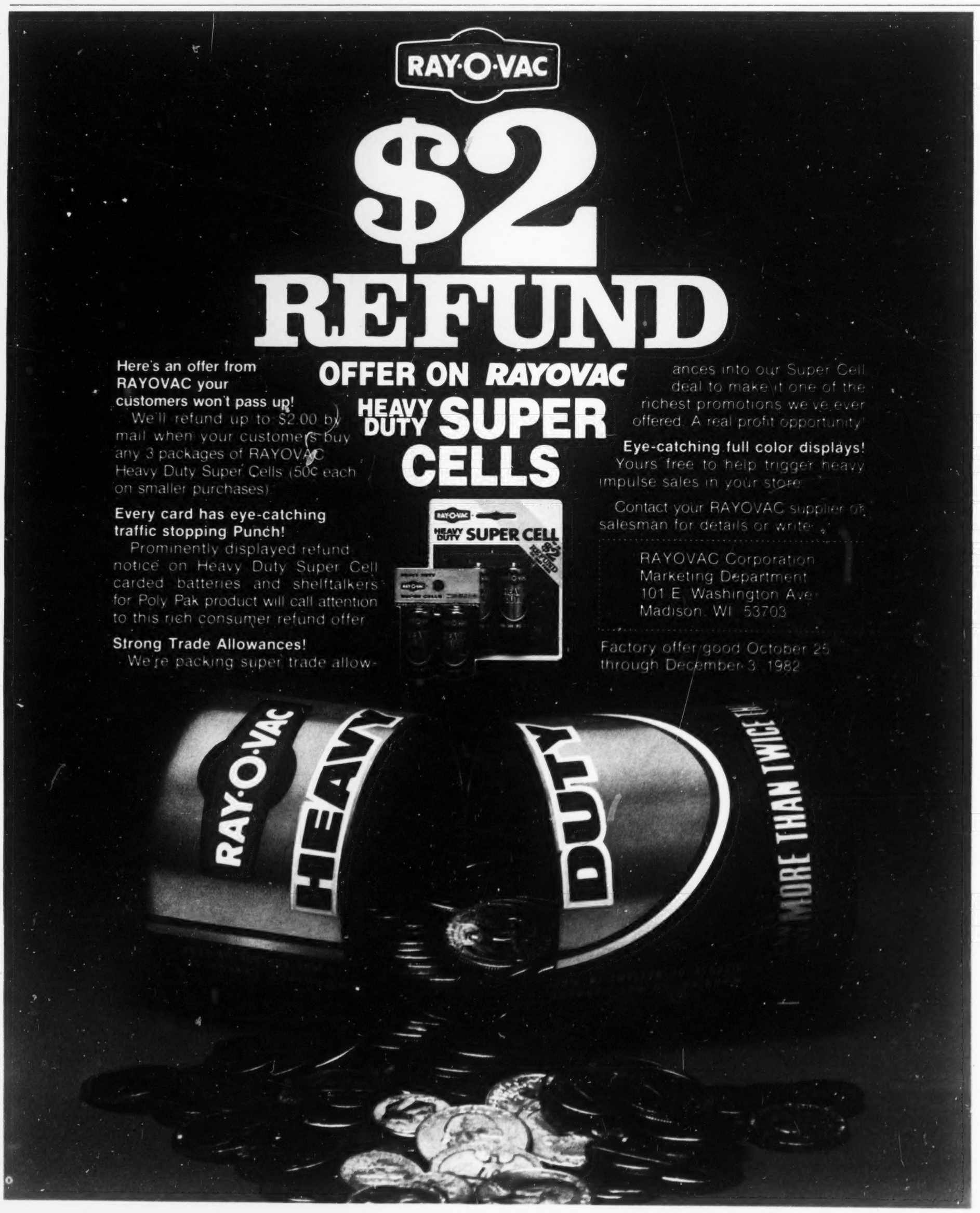
Hardware

- *Discount Store Sales . . $4.1 Billion*
- *Sales per Store $495,000*
- *Department Size . . . . 3,210 Sq. Ft.*
- *Annual Sales per Sq. Ft. $154*
- *Annual Turns 2.5*
- *Initial Markup 4.0%*
- *Gross Margin 34%*

BOXSCORE



In-store displays like this in Wal-Mart, Rogers, Ark., boost already strong ceiling fan sales. Suspended wooden frames and use of matching light fixtures create an upscale look and lead to multiple sales. *(DSN photo)*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OFFER ON RAYOVAC HEAVY DUTY SUPER CELLS
Here's an offer from RAYOVAC your customers won't pass up!
We'll refund up to $2.00 by mail when your customers buy any 3 packages of RAYOVAC Heavy Duty Super Cells (50¢ each on smaller purchases)
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Prominently displayed refund notice on Heavy Duty Super Cell carded batteries and shelftalkers for Poly Pak product will call attention to this rich consumer refund offer
Strong Trade Allowances!
We're packing super trade allowances into our Super Cell deal to make it one of the richest promotions we've ever offered. A real profit opportunity!
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MORE THAN TWICE

Discounters will be marching into the fall and 1983 armed with expanded promotional programs and assortments reworked to focus on basics after year-to-date disappointing hardware sales.

With turns dropping nearly 11% from 2.8 to 2.5 annually, chains are paring margins by two percentage points, from 36% to 34%, and initial markup by one percentage point, from 41% to 40%.

The result is a projected overall gain of 5.1% in hardware sales. Single-store sales are pegged for a mere 3.5% rise, and sales per square foot look to gain only 3.3% for the year.

The promotional atmosphere that kept discounters ahead this year will be heightened in the future as chains plan to promote sure sellers more aggressively than ever.

Fishers Big Wheel, Uncle Bill's and Rink's plan to repeat successful truckload sales on an array of hand tool, electrical and plumbing basics, which were tried for the first time this spring.

The Reason Why

The key reason the events worked so well, the chains say, is that distributors offered a guaranteed sales arrangement. The chains didn't have to worry about storing leftovers, which especially enticed Fishers, which has no warehousing capacity.

The truckload sales boosted hand tool volume for Fishers 12% to 15%, pushing sales 11% ahead the first six months of the year, a spokesman said.

Discounters are counting on stabilized pricing as well as promotions to stimulate hand tool sales. Domestic hand tool prices haven't shown increases seen in previous years. The earlier onslaught of low-cost imports has American manufacturers holding their prices down, buyers believe.

This year most chains, including Zayre, Pamida and Van Leunen's, put a lid on their import programs.

Buyers report the most popular price range in the category has bounced back up to $5-$10 as consumers shop for quality, not necessarily the lowest price.

Chains like Cincinnati-based Van Leunen's have cut back

(Continued on page 77)

Discount Store Census '82/'83

Ceiling Fans, Kerosene Heaters Advance

Gemco, San Diego, gives window insulation billing as a year-round energy saver on an endcap. Hardware buyers say energy-related products will have continued strong growth in 1983. *(DSN photo)*

Hills, Niagara Falls, N.Y., gives energy-saving products extended space in lawn and garden in the fall. Educational POS materials head the gondola run. *(DSN photo)*

(Continued from page 74)

their hand tool assortment to focus on midrange prices.

Electrical supplies is another area where many chains are scaling down their mixes. Most stock a limited assortment of switchplates, base plugs, fuses and breaker boxes as an accommodation to the occasional DIYer.

Roses cut bulk cords and receptacles from its mix and even trimmed the fuse assortment. The chain said sales rose 15% in 1981.

Glosser Brothers was the exception. Its 4-ft. section of electrical supplies was expanded to 8 ft. to offer a wider selection of timers, receptacles and bulk extension cords.

Chains also report sticking o basics in the plumbing category where the largest sales are reported in water-saving nozzles for sinks and showers.

Assortments are being expanded in ceiling fans, kerosene heaters and steel shelving, where most chains have eagerly stepped up promotions.

Although ceiling fan sales have leveled off after surging 70% in the entire marketplace from 1980 to 1981, discounters report 20% gains this year. Sales are expected to gain further as consumers discover that the fans save energy in cold months by circulating heat.

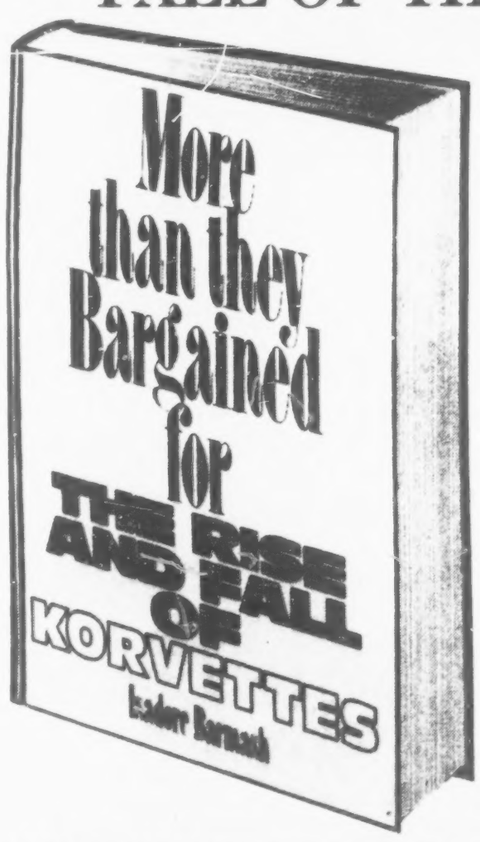
Clover, Wal-Mart and Heck's were among chains increasing advertising, sku count and in-store display to tap strong ceiling fan sales.

(Continued on page 78)

Save $20 on a Toro electric chain saw!
39.99
TORO® 14" ELECTRIC CHAIN SAW Many safety features. Special swivel stops motor if saw is dropped; protective guard keeps hands away from chain. 6.6lbs. Reg. 59.99
4.99 to 24.99
HANDY WOOD SPLITTING TOOLS
Wood handle Chopper axe Reg. 34.99 24.99
8-lb. sledge hammer Reg. 15.99 10.99
6-lb. wood handle maul Reg. 15.99 10.99
6-lb. wedge Reg. 8.99 Sale 4.99
REBATE
11.99
-3.00
8.99

To stimulate slow wood-cutting sales, many chains plan to promote the category more often this year. Gold Circle started in August, offering $20 off a Toro chain saw and up to $10 off on axes and mauls.

THE SPECTACULAR RISE AND DISASTROUS FALL OF THE GREAT KORVETTES CHAIN



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***—Robert Sobel,* The New York Times**

". . . recapture(s) the history of Korvettes . . . at one time the magic household word of the retail industry."
—Carl Bennett, President, Caldor

". . . would-be entrepreneurs may learn to avoid the pitfalls that caused the demise . . ."
—Library Journal

". . . most exciting for those in retailing today. It was fun; it was hard work; it was exciting . . ."
—Stores *magazine, Joan Bergmann, editorial*

MORE THAN THEY BARGAINED FOR
The Rise and Fall of Korvettes
by Isadore Barmash

On Christmas Eve 1980, the lights went out forever in the few remaining stores of the once proud, pioneering 58-store Korvettes chain. It all began in 1948 on Manhattan's East 46th Street with a tiny second-floor luggage shop. Suddenly, almost magically, it developed into the *world's first major* discount department store: Korvettes!

This was the store that took seed in the post-World War II boom—the store that grew into an American institution—only to plunge into ignominious and inexplicable bankruptcy thirty-two years later!

What happened?

Lots of answers have been given. But here for the first time are the behind-the-scenes *facts*—a gripping story of conglomerates, mergers, big capital, and foreign takeovers.

Here is a memorable lesson in retailing, a primer on management (and mismanagement!), a brilliant guidebook on how to succeed in American business, and a startling insight into the very mechanisms of American enterprise itself.

And it is the story of *people*—hoping, battling, gambling, raging, cajoling, maneuvering, winning, losing, and ultimately plummeting from the heights of success. There's an interplay of characters, a gamut of emotions, and an intricacy of plot as suspenseful, rich, and absorbing as any novel.

This book is must reading for every retailer, every entrepreneur, every financier and stockbroker, and every intelligent layperson who knows that to understand the reasons for the success—and also the failure—of a giant like Korvettes is to understand American enterprise itself.

Isadore Barmash has been Assistant Financial Editor and retailing specialist for *The New York Times* for many years, and has authored countless articles and books. He has followed the course of Korvettes' fortunes over two decades, exhaustively researched his subject, and personally interviewed *every principal protagonist* of the Korvettes drama. *Code #533/$14.95*

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HARDWARE

Discount Store Census '82/'83

Steel Shelving Sales Enlivened by Colors

Venture devotes a full gondola to a popular hardware accessory: small item organizers. The section, located in a Chicago store, includes about 10 sku's of boxes with nine to 45 drawers. *(DSN photo)*

(Continued from page 77)

At Clover, additional space was devoted to displays of fans hung from a ceiling grid. The Philadelphia-based chain also dropped the display of its low-end model to focus on higher-priced units. Light kits designed to match the fans, at prices ranging from $20 to $90, are heavily touted to draw additional profit in the category.

Clover began bimonthly ads on ceiling fans in the spring. During the summer sales received an extra shot in the arm from ads featuring the entire line in a special Sunday supplement.

Kerosene heaters also have discounters expanding sku counts.

New Moves

When sales of quartz heaters fell off sharply last year, discounters saw kerosene heaters move in quickly to fill the gap.

This year buyers have been confronted with an influx of manufacturers, which has led to some price cuts in the category. A Japanese import model fueled competition when it entered the market at a price point of $49. Panasonic entered the market from the opposite end, offering higher priced models.

Buyers like those for Heck's and Murphy's Mart say they favor higher-end additions for this fall's kerosene heater assortment, despite price restructuring.

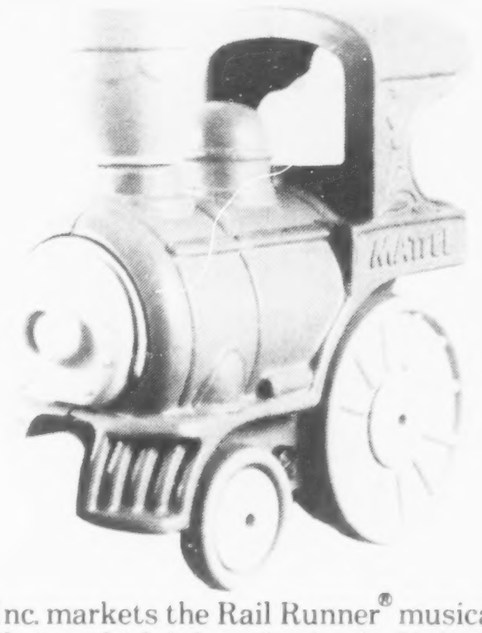
Heck's will add one promotional model but will also pick up one higher-ticketed convection model. Murphy's Mart dropped its lowest-priced 6,000-Btu model that retailed at $157 to take on 12,000-Btu and 18,000-Btu versions.

Steel shelving is another bright spot in hardware as it becomes more colorful. Woolco, Pamida, Zayre and Fishers Big Wheel have all added colored units to their assortments with positive sales results.

Frequent promotions of lower-priced gray models, ranging from $11 to $14, pull shoppers into the stores. But, sales growth in the category, as high as 60% for some chains, is attributed to movement of colored units.

Many chains like Ames have taken on up to five colors of the shelving, although colored units aren't carried in the variety of sizes given gray models. At Ames, three or more sizes are available in gray.

NOTICE TO THE TRADE



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PARKER

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Periodically Glenbrook Laboratories offers promotional allowances and merchandising materials which are useful to all retailers stocking our products. From time to time, allowances are available for newspaper and handbill advertising, display and other consumer-oriented promotions. Details are set forth in specific promotional selling material. Proof of performance (tear sheets, copies of handbills, etc.) and proof of delivery (supplier's invoice) are required for payment of allowances. Our merchandising materials consist of newspaper mats and in-store display material, etc.

If you would like to receive specific details on available offers, send your name, address and telephone number to:

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Glenbrook Laboratories
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New York, N.Y. 10016

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Count on TRIM for quality, profit, merchandising and service.

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TRIM

Trim® gives you quality, popular pricing and profits wrapped up in one package.

(22, to be exact)

Discount Store Census '82/'83

Discounters' Biz en Route to $4.5 Billion

Automotive

- *Discount Store Sales . . $4.5 Billion*
- *Sales per Store $543,000*
- *Department Size . . . . 2,280 Sq. Ft.*
- *Annual Sales per Sq. Ft. $238*
- *Annual Turns 3.5*
- *Initial Markup 34%*
- *Gross Margin 27%*

BOXSCORE

CSC, Louisville, Ky., varies the angles and heights of gondolas and flats showing automotive merchandise, enabling shoppers to see the broad array of bulked items. *(DSN photo)*

Automotive has become the high road to sales and earnings for discounters.

The incentives for the booming customer interest in buying automotive items in discount stores can be found in 1) the recession, which has caused consumers to hold on to their autos later and spend more to fix and maintain their cars and 2) the savings of doing-it-yourself as compared to going to service stations or specialty auto repair stores.

Discount store automotive sales are projected to reach $4.5 billion, up from $4.2 billion a year earlier. Sales per store are rising to $543,000, up from $514,000. While department size remains consistent, annual sales per square foot are climbing to $238, up 5%.

The sales surge in automotive goods covers all parts of the category, from foreign car items to tire, battery and accessory (TBA) centers run by discounters.

S. E. Nichols, for example, carries 40 sku's of foreign car parts, accounting for about 20% of the department's total dollar movement, and plans to expand the assortment.

The question isn't whether to carry this merchandise, but where. A Zodys merchandiser said: "Discounters are of two schools of thought regarding foreign auto parts. Either they are featured within the domestic run because buyers aren't that confident of their import lines' consumer recognition, or they are merchandised separately."

Zodys believes in the latter approach because of the large number of imports on the road in its West Coast and South-

(Continued on page 84)

Microwave Ovens Blow Hot, Cool

CHICAGO—The Association of Home Appliance Manufacturers reported good news and bad about microwave ovens.

Manufacturers' July shipments were down 9.8% compared to the same month in 1981. However, shipments of 331,200 units were the second highest for any July period, exceeded only by last July's total of 367,100 units.

We mean business.

Make way for the motor oils that move. The Exxon team of five quality motor oils has been developed to answer all of your customers' needs.

Look to us as one source that will satisfy every segment of the do-it-yourself market. Our line leads off with four fuel-saving motor oils: super-premium Uniflo® 10W-40 and premium Exxon Extra™ 10W-40 for gasoline engines; XD-3™, our heavy duty 30 grade, and Exxon Extra 10W-30 for gasoline and diesel engines. Our economy-priced single grade oil, Exxon Plus™, completes the line.

Our total program of support for wholesale distributors and qualified mass merchandisers includes free goods, generous new product and co-op advertising allowances, and highly effective modular display racks. Our strong advertising program builds consumer awareness and increases demand for Exxon products.

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EXXON

AUTOMOTIVE

Discount Store Census '82/'83

Batteries Are Standout DIY Classification

(Continued from page 81)

Hard parts for domestic autos continue strong, discounters noted, with the focus on tuneup kits and maintenance items like filters and spark plugs. Chains are even eying more exotic items such as electronic ignitions, with a Prange-Way merchandiser asserting that "it's a category that's definitely got to come."

Batteries have become a standout DIY item despite price points for long-life models passing $65. Better point-of-sale information on DIY installation and a mix of national brands and private label goods were cited as the sparks for battery sales.

Woolco expects sales to be up 15%. "This is a natural growth market because batteries are becoming more of a self-service item," a merchandiser explained.

Times Square Stores' own TBA centers helped to make battery sales "phenomenal," a merchandiser noted. "The personalized service helps make the sale and the motorist is more aware that we have a battery to fit every car."

Consumer acceptance of higher prices for better quality auto items has spread to waxes, particularly polymer products. This demand, in turn, has resulted in an ebbing of prices and a further increase in unit movement so that polymer waxes have become a department staple.

With a strong base already established for polymers, discounters are now going with a leaner mix that features regular waxes as the low-end merchandise and polymers as the trade-up.

At Zodys, polymers account for about 40% of the total wax (dollar) sales and the percentage is expected to increase, the merchandiser said.

Roses has trimmed some polymer sku's from its wax mix to maintain the discounter's low- to mid-price action, a merchandiser said.

Duplicated items have been dropped at Woolco, so that only one wax type in a specific size is being offered. "We are going with a shorter assortment to produce more sales and improve our in-stock position," the merchandiser said.

The trade-up trend was evident in auto sound as discounters reported $100-and-over stereo systems selling, although under-$100 still accounts for the bulk of the business.

A Pamida merchandiser said that the breaking of the $100 sound barrier indicates that motorists, like homeowners, are spending money on older cars as they can't afford to buy new ones.

A merchandiser at Fishers Big Wheel said the discounter stocked items as high as $230. This top-of-the-line product "emphasizes the differences [and value] among the separate models," he said.

"Guess who is the new buyer for automotive, paint, hardware and stationery?"

Murphy's Mart

(Continued from page 49)

kets—completed in the first half have produced strong indications the new look is working, chain executives say.

Gauging the effects on the first Mart (one of two Korvettes takeovers) to be revamped in suburban Baltimore, Lytle revealed sales were running $117.49 per square foot compared to a similar-sized and located unit's $115.06. Gross margins in the refurbished unit were running 5% ahead of the norm; inventory investment was decreased $2.44 per square foot, and gross margin return on investment was 52% higher.

Among other changes instituted by Murphy's Mart this year, designed to deal with near-term problems:

—Moderate reductions were made in the number of items advertised, but not in number of circulars.

—Seasonal commitments for fall, winter and Christmas merchandise were reduced, to give the chain funds for last-minute purchases of hot items.

—A positive leakage control program was implemented.

—A new merchandise plan was created, designed to better control inventory and provide merchandise and guidance to stores.

New Marts to unveil in October include Reistertown, Md., Grove City, Pa., and Salem, Ind. On tap for 1983 are two Marts currently under construction in Kanawha City (suburban Charleston), W. Va., and Perry Hall (suburban Baltimore).

HARVEST BIG SAVINGS

SAVE $1.50 ON HAVOLINE IN SEPTEMBER AND OCTOBER...

Starting September 15th, you can save $1.50 on every 24/one-quart case of Havoline Supreme 10W-30 and single grade Havoline Motor Oils. In addition, we'll increase retailers' ad allowances from 36¢ to $1.00 per case.

On our popular Easy Dozen™ 12/one-quart cases, you'll save 99¢ per case, and retailers' ad allowances jump from 18¢ to 50¢ per case.

These special off-invoice allowances good on all orders shipped from September 15 through October 31, 1982. Bonus ad allowances must be used by January 31, 1983 for newspaper, radio, and TV advertising and store display allowances.

Texaco is proud to be the official gasoline and motor oil supplier for THE 1982 WORLD'S FAIR.

Discount Store Census '82/'83

Narrowed Mixes Stress Quality, Price

Paint buyers went through some blue periods this year, trying to beat last year's figures.

Most were forced to implement a wide array of changes in mix and number of sku's, to build sales and combat sluggish margins.

Sales are projected to grow by 7%, from $1.4 billion to $1.5 billion. Margins, at 37%, remain the same as the previous year. While the size of the department is unchanged at 1,270 sq. ft., annual sales per square foot are rising from $135 to $142, a 5% increase.

Sales Improve

Annual turns are falling from 2.7 to 2.1. Markup is higher, going from 42% to 44%. Sales per store are increasing a slight 5%, from $172,000 to $181,000.

Paint sales have been negatively impacted by the continued slowdown in housing starts and an inching up of price points in the category. To offset this some discounters have been heavily promoting name-brand goods, with cuts of up to 50%.

Buyers say the presence of a brand name like Glidden or Dutch Boy is necessary as a traffic draw. But for many chains the focus is being switched from a broad selection with a variety of price points to a narrow offering emphasizing quality as well as price.

Brand name manufacturers have offered retailers help in 1982 with better deals, including special programs and consumer rebates.

A Van Leunen's buyer cited monthly specials at 25% off offered by manufacturers.

"At that price you net out about 37% on margins compared to the usual 26%," he said. His chain also moved to drop its private label line and went with a mix of Glidden and one off-brand line. He said the strategies have boosted paint sales from the previous year's levels.

"People aren't buying the low-end paint unless it's for smaller jobs," he said. "Customers want the $12-$13 brand names, which they know they can get on sale for $8.99 or $9.99."

If Van Leunen's sales keep up the current pace the department, including paint sundries, may be increased from 6,000 to 7,000 sq. ft.

Payless is also shifting its emphasis from PL to brand name. The chain had stocked 100 sku's of PL only. Du Pont is now being merchandised in some Payless locations. This, coupled with heavy advertising, helped lift depressed sales, a spokesman said.

Even K mart, solely stocking a PL brand, turned attention in its ads to the fact that the Performer line is made by Dutch Boy.

Zayre, however, is a chain sinking its dollars into PL where margins are generally 15% better.

A buyer there said the category is advertised every three weeks, and due to the strong promotional campaign, last year's figures are being beaten.

Zayre's Classic Living line is made by Du Pont.

More Promotion

In addition to strong promotion, he said sales have been strong thanks to continual review of the stock. Analysis showed an excess of colors available, since close to 55% of sales are on white paints, so the selection is scheduled to be trimmed. The chain has also cut quart paints, he said.

Besides the Classic Living line Zayre also offers Du Pont, Olympic and a less expensive PL, at a regular price of $5.49 per quart, $4.49 on sale.

Zodys in its attack dropped one size of paint—gallon—last fall. In July the chain also began a program of a 24-ft. run of private label and DuPont goods.

At Fishers Big Wheel, paint sales are 10% greater than in 1981, according to merchandise manager Pat Nicholson, who attributes it to a cutback on colors and slow movers—such as a gel flow paint—and a rack assortment reduced from two to one.

Fishers carries both Glidden and PL interior and exterior paints, with margins on the PL at 45% and on the Glidden line at 35%.

Nicholson said the "streamlined" department now offers the best margins, the greatest turns and the lowest inventory investment of all the hardware categories.

Magic Mart has gone chain-wide with a hardware planogram which has boosted paint sales by 15%. In-stock position has been raised to 90% from as low as 65% and limits are set on per-store orders according to store size. This system allows the chain to buy at better prices and carry inventory for shorter periods of time.

Merchandising Move

Promotions during May and June capitalized on manufacturer rebates and improved store merchandising, resulting in a 21% increase in May sales from a year ago and a 40% June increase, said a buyer.

Both PL and DuPont Lucite paint were featured on endcaps during the month of June—traditionally a strong month for paint, PL was sold at $4 and $6 per gallon and DuPont Lucite sold for $9.88 and $10.88 per gallon, with manufacturer-featured rebates of $2.50 and $3, respectively, taking the price as low as $7.38.

Paint — BOXSCORE

- Discount Store Sales .. $1.5 Billion
- Sales per Store $181,000
- Department Size .... 1,270 Sq. Ft.
- Annual Sales per Sq. Ft. $142
- Annual Turns 2.1
- Initial Markup 44%
- Gross margin 37%

ON HAVOLINE THIS FALL

THEN SAVE AGAIN ON OUR NOVEMBER CASE DEAL!

This November, save 99¢ on every Easy Dozen™ case of Havoline Supreme shipped between November 1 and November 30, 1982. Again, retailers' ad allowances climb from 18¢ to 50¢ per case. Bonus ad allowances must be used by February 28, 1983 for newspaper, radio, and TV advertising and store display allowances.

Let the Easy Dozen case boost your November sales of all Havoline Supreme motor oils to do-it-yourselfers.

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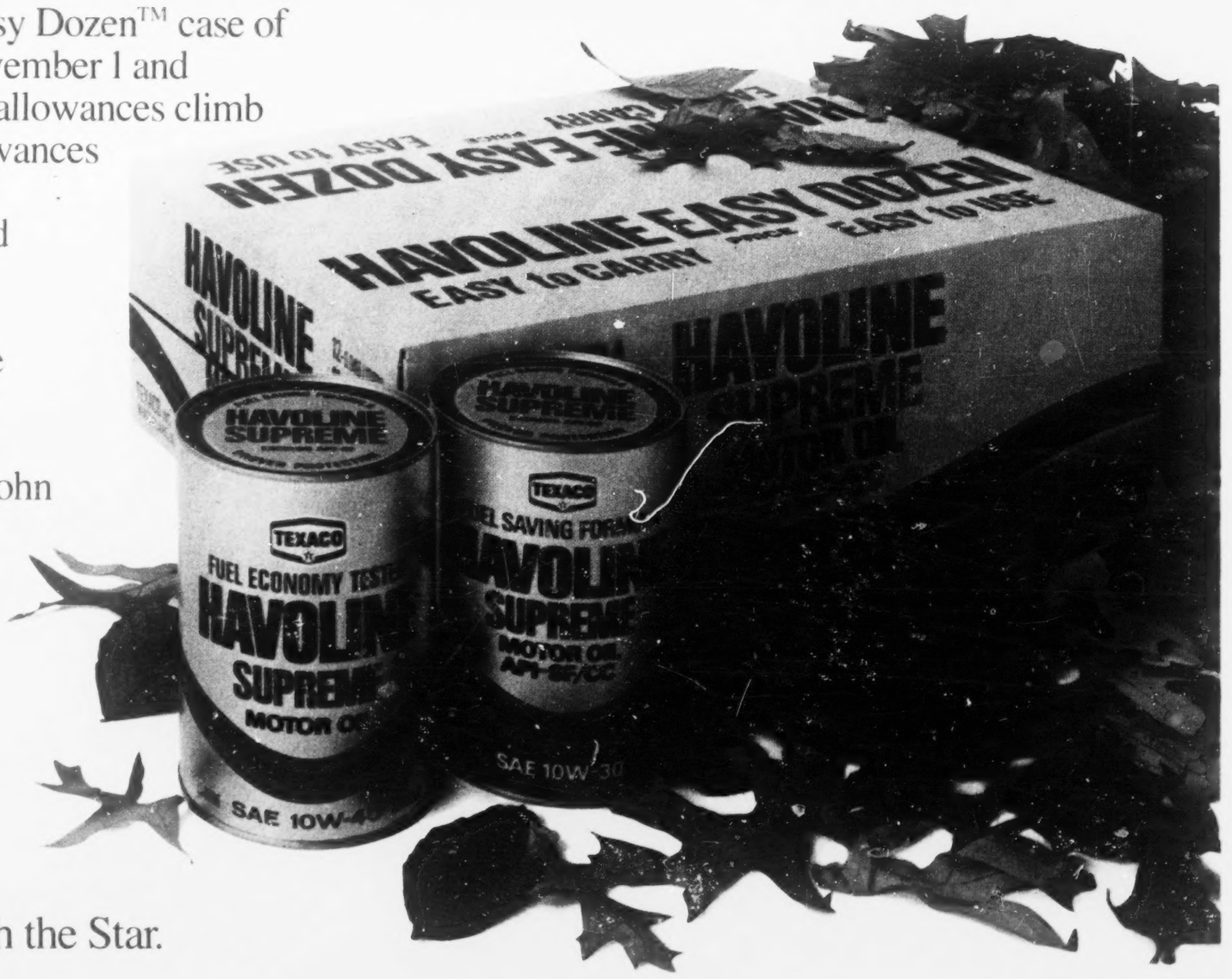


TEXACO

Trust your car to the products with the Star.

Discount Store Census '82/'83

Thin Margins Complicate Merchandising

Fruit juices and various forms of peanuts are prominently displayed in Wal-Mart's feature aisle in Fayetteville, Ark. Discounters are keeping close tabs on the display and ad space given to consumables. *(DSN photo)*

Rising food costs have chains like Harts delving further into no-name/no-frill products. In its Huntington, W. Va., unit Harts created this section, billed "Un-Brand Bargain Island." *(DSN photo)*

Buyers are practically consumed with the choices facing them on how to handle the consumables category—an area that proves necessary as a traffic draw but where thin margins require constant attention.

Consumers spend an estimated $6 billion for food items in nonfood stores, with a large portion of it going to discounters.

But, how to merchandise the category is still a tough question.

Robert Craighead, Gee Bee vp and gmm, said, "While we haven't cut back on either the display space or advertising allocated to this area, this year we critically looked at the prime real estate we were giving to consumables and made some changes."

Layout Changed

The chain has shifted consumables from major traffic aisles to more secondary, but still highly visible, positions such as the ends of gondola runs. Various classifications within the category have been spread from a central department location to separate locations in the store. Craighead believes the payoff has been stepped-up impulse purchases in other departments.

Heck's food buyer George Russell, whose chain stocks between 32 ft. and 40 ft. of food—whose volume is up 10% to 15% from 1981—is thinking of decreasing promotion space and going with fewer items, highlighting staples. The chain—which is fairly new to regular stocking of consumables —is moving out of stocking such date-stamped items as flour and pizza mixes.

"We beat supermarkets in 99% of locations on everyday pricing," said Russell. The chain advertises items below cost or 3% to 5% above cost in every circular. Item count varies in consumable—from four to 20 products—in tabs, he said.

Allen Sherman, merchandise manager at Gold Circle, said, "Our philosophy in pricing is that customers establish what we can sell an item for." The chain has slightly decreased the amount of advertising it does in consumables, but when it does advertise, Gold Circle hits hardest with the No. 1 and 2 brand names.

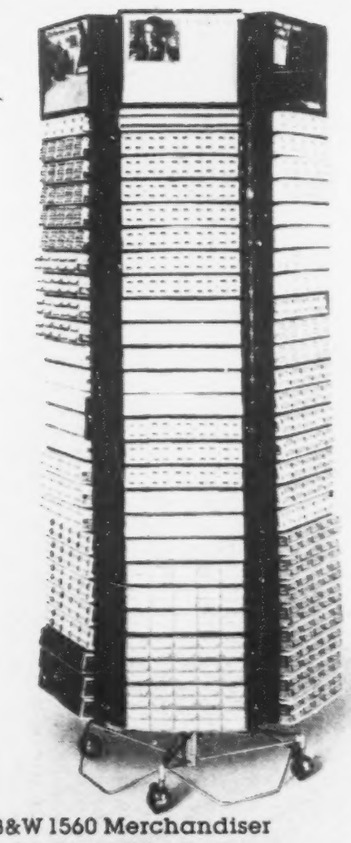
Earn up to $24,000 profit per year per store.

With B&W's centralized package merchandisers you can pack the most selling potential into every inch of cigarette selling space. In fact, a retailer, depending on his volume and his profit margin structure, could generate package profits as much as $24,000 per store/per year, experience annual inventory turns as high as 45.8, and an ROII of as much as $16.01 with the placement of only two of our compact 1560 package merchandisers.

The problem with conventional cigarette display fixtures.

In 1972 you only needed 69 brands to satisfy 98.5% of your customer demand. Today you need 135 brands. Conventional belt-line package fixtures are simply inadequate — in capacity and flexibility — to meet this dynamic demand for cigarette package sales in supermarkets.

What's more, independent, reputable studies show eight out of ten customers will shop elsewhere if you don't carry the brands they prefer! And, 20% of those customers will stop shopping with you altogether!



B&W 1560 Merchandiser
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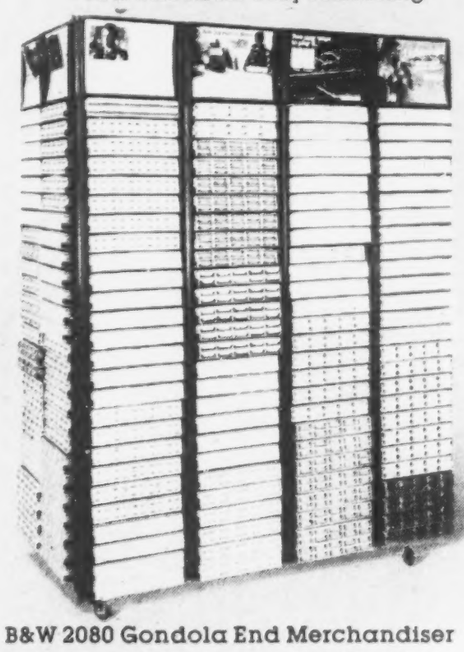

B&W 2080 Gondola End Merchandiser
- Highly visible display of 2,080 packs
- Eliminates front-end clutter
- Provides maximum brand mix
- Quick carton loading
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B&W's flexible package merchandisers can give you more sales and greater profits in less space by . . .
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- Eliminating multiple inventories
- Lowering labor costs through easy carton loading
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PHOTO/CAMERAS

Discount Store Census '82/'83

Revival of Sales and Profits Is Signaled

Photo/Camera

- Discount Store Sales .. $2.9 Billion
- Sales per Store $350,000
- Department Size ..... 675 Sq. Ft.
- Annual Sales per Sq. Ft. $518
- Annual Turns 3.2
- Initial Markup 23%
- Gross Margin 17%

BOXSCORE

It may not have been a picture-perfect year, but photo/camera departments in 1982 saw some flashy new products, film formats and price restructuring that are signaling a revival of department sales and profits.

Perhaps the single-biggest factor contributing to the department's momentum was the introduction of Kodak's Disc camera and film.

Billed by the manufacturer as "decision free," the Disc (with its automatic built in flash, advance, rewind and technological wonder of disc-shaped film) went on the market in May and is proceeding to develop a whole new tier in cameras.

Photo/camera sales are projected at $2.9 billion, up from $2.7 billion a year earlier. Sales per store are increasing to $350,000 from $331,000, as sales per square foot rise to $518 from $494. Turns are slowing to 3.2 from 3.4; initial markup is falling a percentage point to 23% and gross margins are off from 19% to 17%.

The Disc camera, marketed at three levels of sophistication—models numbers 4000, 6000 and 8000 with suggested retails from $67 to $142—produced the first major quake in the industry since pockets were introduced in 1972.

Present Situation

The camera was viewed immediately as the death knell for pockets, which were suffering sluggish sales (the industry's 1981 Wolfman Report estimated 110 pocket sales fell from eight million to seven million units last year). But with the disc's promotional price points of $45 to $110, buyers believe, at least for the time being, there is room in the market for both the Disc and pockets.

Low-end pockets, from $19 to $25, have generally been discounters' best sellers. Buyers announced intentions of meeting the Disc's arrival by keeping pockets within those popular price points, and trimming sku's. (That Kodak abandoned all but two pocket lines, and competing manufacturers dropped prices up to 30% helped in the restructuring.)

Chains like Jamesway trimmed pocket sku's from six to four, ending at a $32 high-end price point. Other chains like Roses went a little further, believing only under-$25 cameras would hold up under disc pressure.

All were not doomsayers: Wal-Mart's camera buyer viewed the restructuring as beneficial to other manufacturers. "They've given other manufacturers the opportunity to gain market share in low-ends," he said.

Meanwhile, Kodak's competitors such as Continental (also a pocket manufacturer) have begun or will be launching knockoffs to widen the new camera tier by 1983.

Continental is touting a line of two "Disco" cameras: Disc-O-Matic at $59 and Disc-O-Flash at $44.50, both using Kodacolor HR-15-exposure disc film.

Optimistic Feeling

More important than the 20% sales boost in cameras discounters anticipate from the disc is the contribution disc film sales could make to departments this year. Viewed as a camera that "eats" film, because of its automatic film advance feature, most chains look for hefty film sales gains.

Should another new market entry take off, 35mm film sales could be buoyed somewhat too. Nimslo debuted a 3-Dimensional camera (in the Florida market this year) that uses four film frames per picture.

Chain buyers in the second half also saw 35mm price restructuring that has boosted optimism about growth in that portion of their departments.

As consumers are enticed to trade up, so too have discounters in launching broader Rangefinder and SLR programs, with more accessories from lenses to gadgets.

Gray market problems for manufacturers and new competitive stances for market share led up to 15% price reductions among Minolta, Pentax, Nikon and Canon on some 35mm lines this spring, which delighted discounters seeking more sales.

Related Move

Margin hunger in the department has also led to increased activity in private label film programs. Heck's and Nichols went after private label programs to sweeten markup by 20% or better, expecting first-half price hikes by Kodak and Polaroid to fuel their success.

In instants, a category where margins have become bare bone, discounters report they have trimmed unit count.

In 1981, sales of instants dropped by 200,000 units to 5.5 million, according to the Wolfman Report. Despite Kodak's entry of four new units and Polaroid's offering of the new Amigo camera which uses Sun film, buyers and market analysts looked for further erosion in sales this year.

Midyear promotions were stepped up by instant manufacturers to combat the decline, including a trade-in offer by Polaroid.

Chain's like Meijer's Thrifty Acres and Gemco/Memco tried the promotion which gave consumers $5 to $10 off on a new Sun camera with the trade-in of any old camera.

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Look for increased traffic and sales. Customers save $6 on TalkingStraps® when they buy Jason binoculars.

TalkingStraps® are a $9.95 value and your customers can save $6.00 with proof of purchase of Jason binoculars from your store. They're comfortable, colorful and fun! TalkingStraps® are made of durable, non-stretch ¾" webbing with customer personalization woven right in. Listen. This promotion speaks your customer's language!

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HEALTH & BEAUTY AIDS

Discount Store Census '82/'83

Trend in Shampoos Is to Larger Sizes

Health & Beauty Aids

- Discount Store Sales . . $4.6 Billion
- Sales per Store $555,000
- Department Size . . . . 2,275 Sq. Ft.
- Annual Sales per Sq. Ft. $243
- Annual Turns 4.2
- Initial Markup 25%
- Gross Margin 22%

BOXSCORE

Discounters report better sales of larger sizes in shampoos over the past year. Many chains are shifting the top shelf item to 24-oz. sizes. Scene is Murphy's Mart, Dunbar, W. Va. *(DSN photo)*

Discounters are projected to gain over 12% in sales of health and beauty aids this year.

Chains are squeezing an extra 8.4% out of sales per square foot, by pushing turns up slightly and slicing initial markup by three percentage points, although overall margins for the category are expected to decrease only by one percentage point.

Sales increases in this category have been no small achievement, as this year marked some new trends in the H&BA market.

Volume on many of last year's runaway sellers such as liquid soaps, diet aids and even hydrocortisone creams leveled off this year—forcing discounters to quickly scale down assortments and search out the new growth areas for promotional aisle displays.

Discounters are enjoying, however, sales gains in larger sizes of shampoos, hair sprays and vitamins. For promotions many chains count on basics like toothpaste, bar soaps, deodorants and mouthwash.

Shifting Emphasis

Market saturation was the culprit for the decline in sales of both hydrocortisone creams and liquid soaps. New entries on the liquid soap front such as Shower Mate and Rejoice failed for most buyers, who say they have streamlined the permanent assortment in favor of in-and-out deals.

In hydrocortisone creams, discounters have opted for a limited assortment with future possibilities of higher-margin, private label versions for next year.

ShopKo's buyer Dennis Rubel scaled down his hydrocortisone mix to five from nine at the start of '82. During the year he dropped yet another item. The Wisconsin-based chain's private label hydrocortisone—with margins 28% higher than brand name versions—is the top seller.

Magic Mart buyer Tommy Pate plans to take on a private label hydrocortisone by next year. He expects the higher margins to help offset the category's slowing sales growth. Pate reported that sales growth of 35% in 1980 fell to 10% over 1981. The Arkansas-based

(Continued on page 92)

NCR announces the Terminal of the Future

Now, NCR offers an intelligent, all-purpose terminal that fits every retail environment. A terminal that gives you control over both cash and information.

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The 2950 is completely programmable in easy-to-use BASIC. That, plus the 25-line CRT and your choice of communications protocol capabilities and configurations, gives you the flexibility you know you need today.

And that flexibility makes the 2950 perfect for a host of uses, from layaway desk to bridal registry to POS to the service desk and more. It's also easily adaptable to both U.S. and international requirements.

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HEALTH & BEAUTY AIDS

Discount Store Census '82/'83

Natural Formulas Hypo Vitamin Growth

At K mart, low pricing on basics is emphasized in the H&BA department. This Somerville, N.J., store features a double run of promotables with private label positioned next to higher priced national brands.

Vitamins is one category where sales are stronger than ever. Most chains are tapping that growth with special sections like this Vitamin Center endcap in Gold Circle, Springdale, Ohio. *(DSN photo)*

(Continued from page 90)

chain went into this year with only two sku's.

Heck's and Payless also cut back on the hydrocortisone mix this year with each chain trimming two sku's. Heck's buyer John Beacon will decide at the end of the year if private label hydrocortisone will be included in the 1983 mix to replace one of the brands dropped this year.

Discounters expected the leveling off of diet aid sales, and kept assortments tight going into 1982. Michael Shoor, buyer for New York-based S. E. Nichols, predicted a 15% decline in the 1981 growth rate—which was 25% at his chain.

Shoor didn't have to look far to find a category ripe for a spurt in sales this year. He reported sales in the vitamin category—positioned right next to diet aids—ahead of last year's by more than 20%.

Nichols, Danners and Prange Way all launched expanded vitamin displays for the back-to-school season—each focusing on the hot-selling natural formulations.

At Nichols, space for the category was doubled to 8 ft., and vitamins from Rexall's Naturalist line is being tested in 19 of the chain's 43 stores. Shoor is playing up the category by pulling it out toward the main aisle and setting it apart as a "section." Naturals are in the limelight and include vitamins C and E and supplements such as lecithin.

More Emphasis

Indianapolis-based Danners tripled the size of its vitamin sections, said buyer Jim Miller. Sales at his chain, which originally stocked only one 4-ft. shelf, are running 18% higher than last year. At least six sku's of natural formulations joined the mix for fall including vitamins C and B complex.

Prange Way's fall mix will include 10 additional sku's of natural vitamins, according to buyer Ralph Klausen. At Gold Circle, merchandise manager David Covitz had no plans to add to the 48 sku's of natural vitamins his chain carries. Covitz reported 1982 sales 12% ahead of last year at the Ohio-based chain and predicted a growth of 15% during 1983.

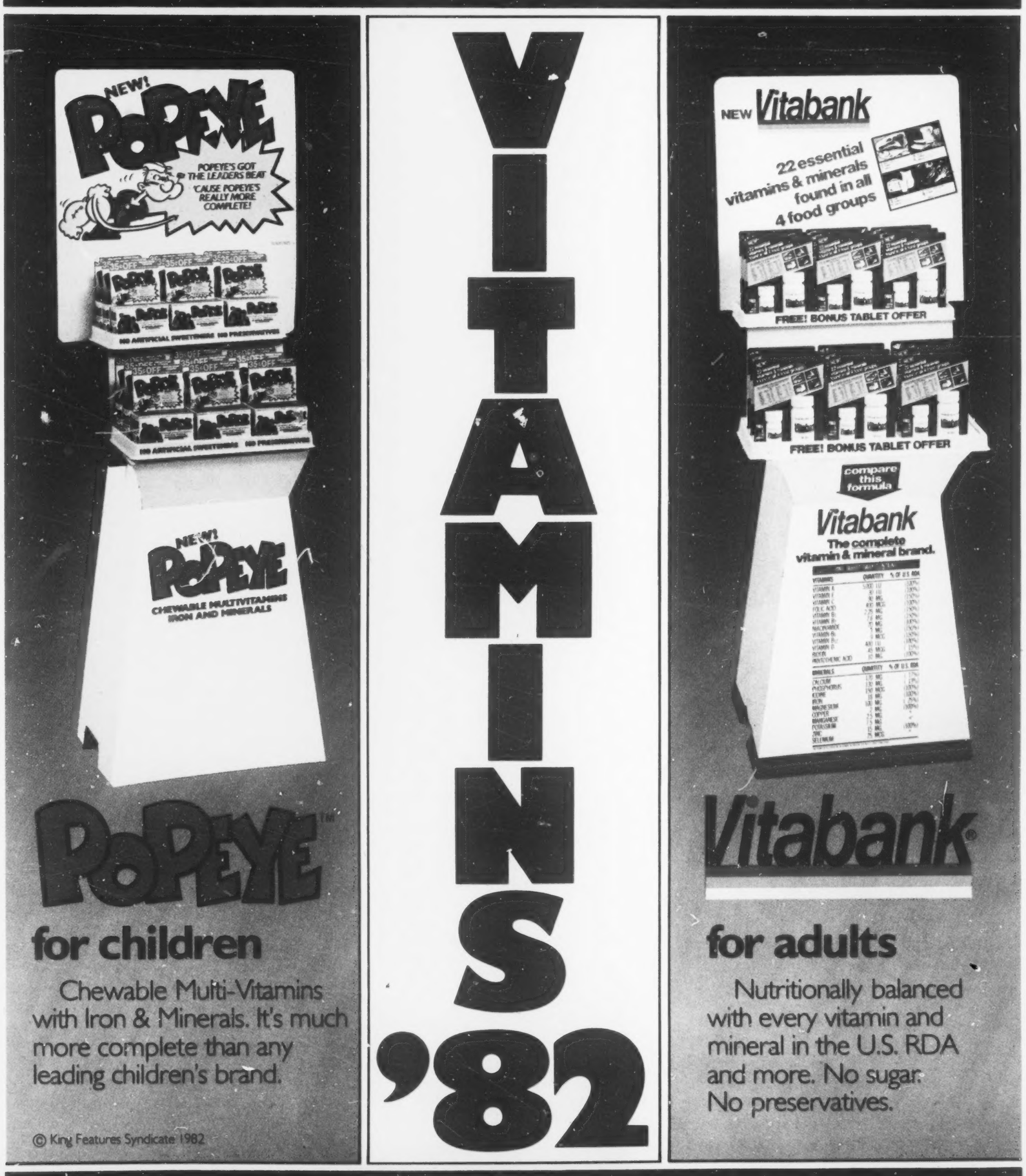
Other categories slated for sales growth by the end of this year include sleep aids. New formulations hitting the market this year have chains like Roses, based in Henderson, N.C., picking up the category after dropping it in 1979 when the F.D.A. ordered the drugs reformulated.

Cook United, Fedco, Magic Mart and Glosser expect increased movement in sleepaids once new forms of Sominex and Nytol are on the shelves this month.

In hair care, sales of hair sprays and hair accessories are also gaining this year. Aerosols took the lead in sprays and ribbon barrettes lead on the accessory front. Hair spray sales at Zodys, based in Los Angeles, are running 14% ahead.

Although shampoos are traditionally the top volume generator in the H&BA category, figures from Boston Distributors, Maple Heights, Ohio, reveal that last year deodorants outsold shampoos at the chains serviced by the company. Right Guard spray is still the top seller, but solids and sticks threaten to dominate the category as soon as mid-1983.

J.B. WILLIAMS INTRODUCES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JEWELRY

Discount Store Census '82/'83

Chains Bank on More Gold, Silver Items

Jewelry

- *Discount Store Sales . . $1.1 Billion*
- *Sales per Store $132,000*
- *Department Size . . . . . 550 Sq. Ft.*
- *Annual Sales per Sq. Ft. $240*
- *Annual Turns 2.5*
- *Initial Markup 48%*
- *Gross Margin 42%*

BOXSCORE

Roses added the sparkle of 14-karat gold to its jewelry department this year. The section in this Oxford, N.C., unit also features an expanded selection of Seiko watches. *(DSN photo)*

Discounters are counting on sterling silver and 14-karat gold items to register sales gains of 10% in jewelry this year.

With turns down to 2.5 from 3 a year earlier, most chains moved into or expanded higher-ticket, high-quality jewelry to help push margins up. For the year, margins are expected to be increased two percentage points to 42% to boost volume to $1.1 billion in the category.

"Sales were so flat in costume jewelry chains had to get into higher prices," said Roses buyer Tom Kirby.

"We are picking 14-karat gold and sterling silver to stir interest in the category for Christmas and moving into a stronger program with Seiko watches to complete the tradeup.

"Prices on gold and silver are low enough these days to permit you to often sell them almost as cheaply as costume jewelry," he explained.

Hoping to cash in the lucrative business, Pennsylvania-based Fishers Big Wheel took over its jewelry section this year. The department had previously been leased.

Items Added

The 600-sq.-ft. sections will remain the same size, but additional sku's of 14-karat gold items are being added to broaden the mix.

Gold Circle and most other chains have been emphasizing gold and gold-filled jewelry and watches in circulars throughout this year.

A recent Gold Circle circular featured Pac-Man gold-filled pendants and earrings for $8 each; all-gold chains, priced 50% off, ranging from $14.99 to $199.99, and liquid crystal display watches, $9.

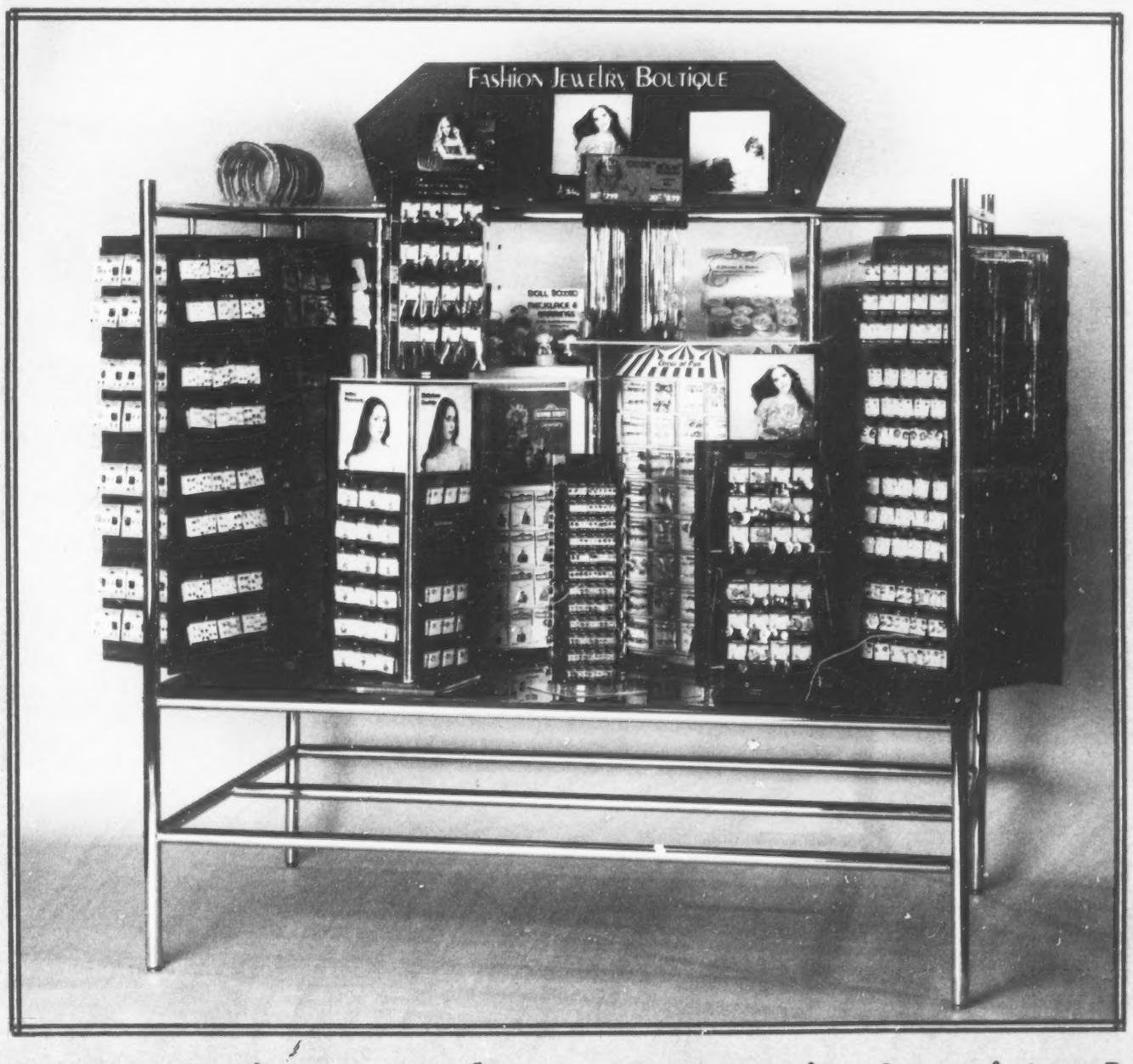
Venture, running a 50%-off sale on 14-karat gold jewelry late in the summer, priced items from $9.99 to $99.99.

Besides adding higher-ticket jewelry, Roses, like many chains, reorganized its department's configuration.

At the start of last year, radios, small leather accessories, jewelry, watches and small gadgets were all sold from one serviced section. But the North Carolina-based chain started late last year to limit the department to jewelry and watches only.

Although footage for the department hasn't been increased on a chainwide basis, additional showcases are being put in new and remodeled stores this year.

PUT "FASHION" BACK INTO YOUR FASHION JEWELRY PROGRAM!



A jewelry program is supposed to add color and excitement to your stores. If you are currently offering dull, slow-moving merchandise on out-dated fixtures — Call for Accessories Associates' full service program!

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FABRICS/SEWING

Discount Store Census '82/'83

Some Chains Win Out, Others Surrender

Fabrics & Sewing

- Discount Store Sales . . $1.1 Billion
- Sales per Store $132,000
- Department Size . . . . 1,350 Sq. Ft.
- Annual Sales per Sq. Ft. $98
- Annual Turns 2.2
- Initial Markup 45%
- Gross Margin 39%

BOXSCORE

Wal-Mart is one chain feasting on strong fabric sales. In this Fayetteville, Ark., store, the chain's commitment to the category is evidenced by the broad selection of fabrics and patterns. *(DSN photo)*

This year's story in fabric and notion sections: feast or famine.

Wal-Mart, Zayre, T.G. & Y. and ALCO have kept their sections on a par with last year as far as inventory and footage are concerned, but have gone to more aggressive merchandising and advertising programs. Zayre and ALCO report double-digit sales gains this year, as a result of new approaches.

Some chains, like Roses and Pamida, however, followed the same course K mart took last year and dropped the category completely in favor of expanded crafts and domestics.

Chains opting to get out of the fabric category felt the investment for inventory, plus a staff person to cut fabrics, outweighed the sales potential.

Overall, discounters' fabrics sections are projected to attain average sales increases of 8%-plus for 1982, although footage is being trimmed by 3.7%. With initial markup three percentage points higher than last year and gross margin up four percentage points, chains are achieving sales per square foot 11.5% better than in 1981.

Promotions a Major Factor

At Zayre, fabric sales are running 17% ahead of last year, attributed to aggressive promotion. Fabrics are promoted every week in a chain circular, with prices kept in the $1.99 to $5.99 range.

The Framingham, Mass., chain currently gives 11,050 sq. ft. to its departments.

"To do a good job in the category you have to commit yourself," said ALCO buyer Jan Nutter. Sales at her chain are 12% to 15% higher than last year.

"You can't be in it half-way. You have to commit the space, the attention and the advertising," she asserted.

Fabric and notion departments in the Abilene, Kan.-based chain consist of six 4-ft. x 4-ft. tables of bolt and 12 tables of flat-fold fabrics.

This is the first year the chain's sections were completely planogrammed, Nutter said. She reports margins in the 45% area on fabrics before markdowns.

Sales at the chain's Kansas, Iowa and Nebraska stores were also boosted because top competitor K mart stores no longer carry the category.

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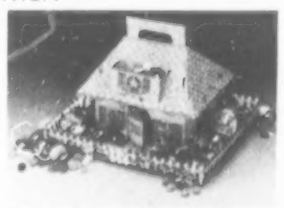

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Discount Store Census '82/'83

Specialty Books Tested to Boost Volume

Discounters are moving fast to implement some special solutions designed to boost volume for the slow-moving books category.

Prices on most paperbacks have edged well past the $3 mark, which has all but put a stop to multiple purchases and taken a chunk out of total sales.

Although chains still focus on romance novels—because, as one buyer explained, "consumers can buy two books for only $5"—to combat sluggish sales some chains are testing college and professional preparatory books in some stores.

The chains report that by working with distributors they can cherry-pick textbooks according to store demographics and run guaranteed sales programs.

K mart is working through two distributors to add specialty books to sections in stores that accommodate larger 1,600-sq.-ft. sections. The specialty books are carried in the reference section of the chain's Book Corner departments.

Assets of such publications as College Board test reviews, High School Equivalency test reviews and Federal Government Air Controllers test reviews are margins as high as 40%.

A Closer Look

Fastest-moving price points for the test preps are in the $4.95 to $9.95 range, although retails do go as high as $19.95. One distributor said demand for the books is so great they will sell even if not discounted.

Chains are finding civil service test guides move in all markets, but college preparatory books are geared to high-income, white-collar areas.

"Demographics is the key to the business," explained Zayre divisional merchandise manager Ed Beevers. This year not all of the Massachusetts-based chain's stores will have a book department, but others will carry a limited assortment and some offer a full selection.

Beevers is planning to wrap up this year with sales 15% to 20% higher than last year. He is pegging do-it-yourself, reference and health-oriented hardcovers as strong sales generators.

Some 50 Zayre units are testing expanded departments with more hardcover books. Romance novels, Beevers pointed out, will continue to be the backbone of the chain's book business.

Heck's buyer Larry Lacey concludes, however, the bulk of romance movement is in lower-priced numbers.

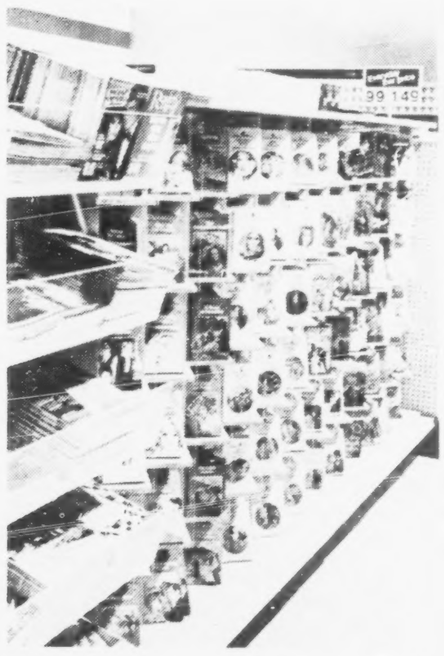
Zayre discounts paperbacks about 20% and hardcovers about 25%, as do many chains. However, this year Zayre's schedule calls for monthly promotions stepped up even more during the back-to-school season.

To meet this year's goal of a 20% increase in book sales, T.G. & Y. buyer Larry Lide is running with 10% off on his book selection. Lide also looks for quantity buys of overruns to sell at special discounts of 40% to 50%.

At Gold Circle, the paperback selection has become 25% to 33% romance this year, according to buyer Jerry Broering. Romance novels previously counted for 12%-18% of the assortment.

The Ohio-based chain is following a plan for up to six book promotions per year. The first major ad debuted in January of this year.

Wal-Mart uses a typical method to boost sales of books in its Fayetteville, Ark., store. A main-aisle display table is devoted to a special promotion of hardcover selections. *(DSN photo)*



Gold Circle increased its selection of romance novels to half a gondola in the Cleveland, Ohio, store. Magazines get a permanent home in the section, in addition to space on checkout racks. *(DSN photo)*

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HOUSEWARES

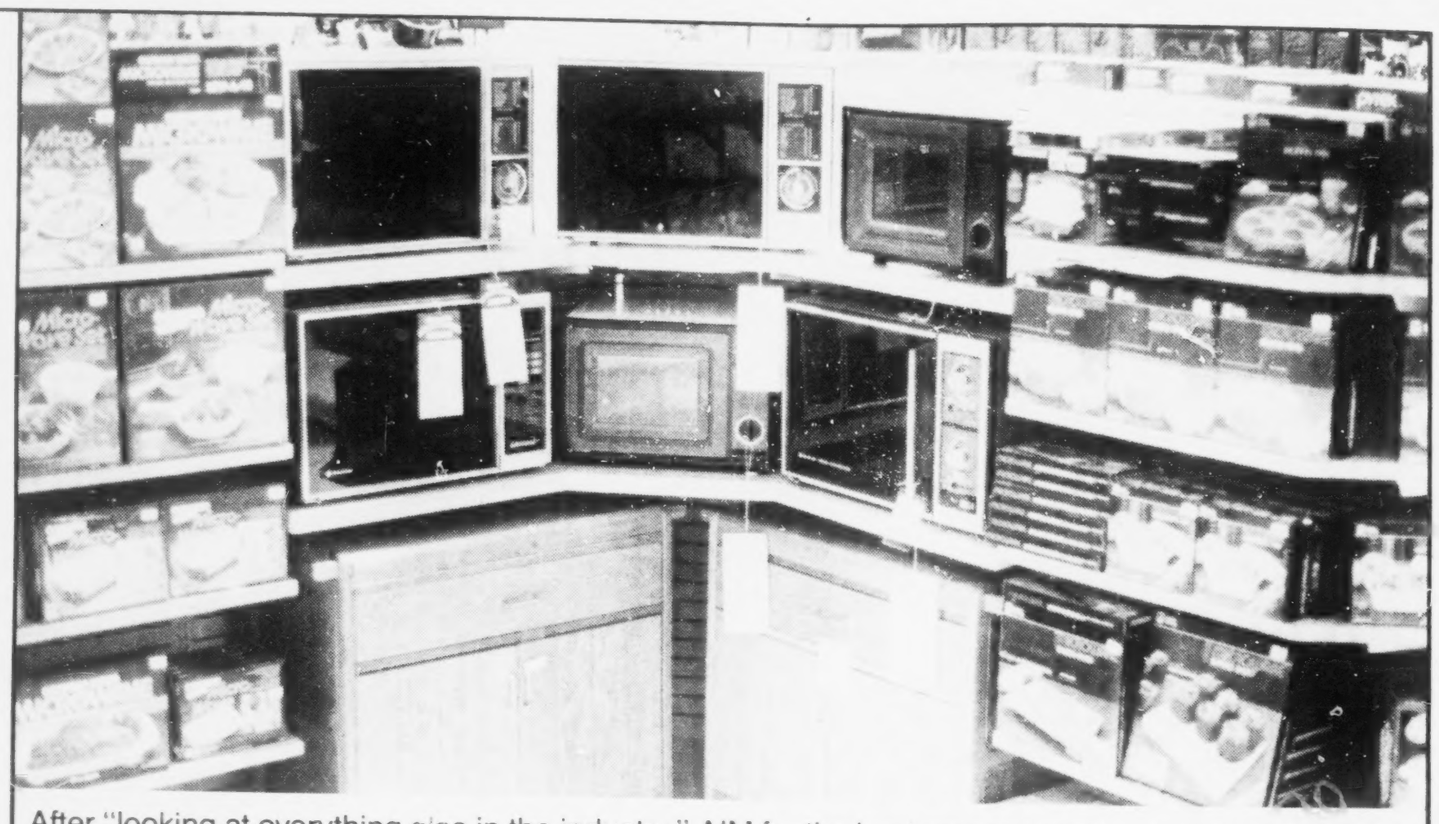
Discount Store Census '82/'83

Sales Rise at Expense of Margins

Housewares

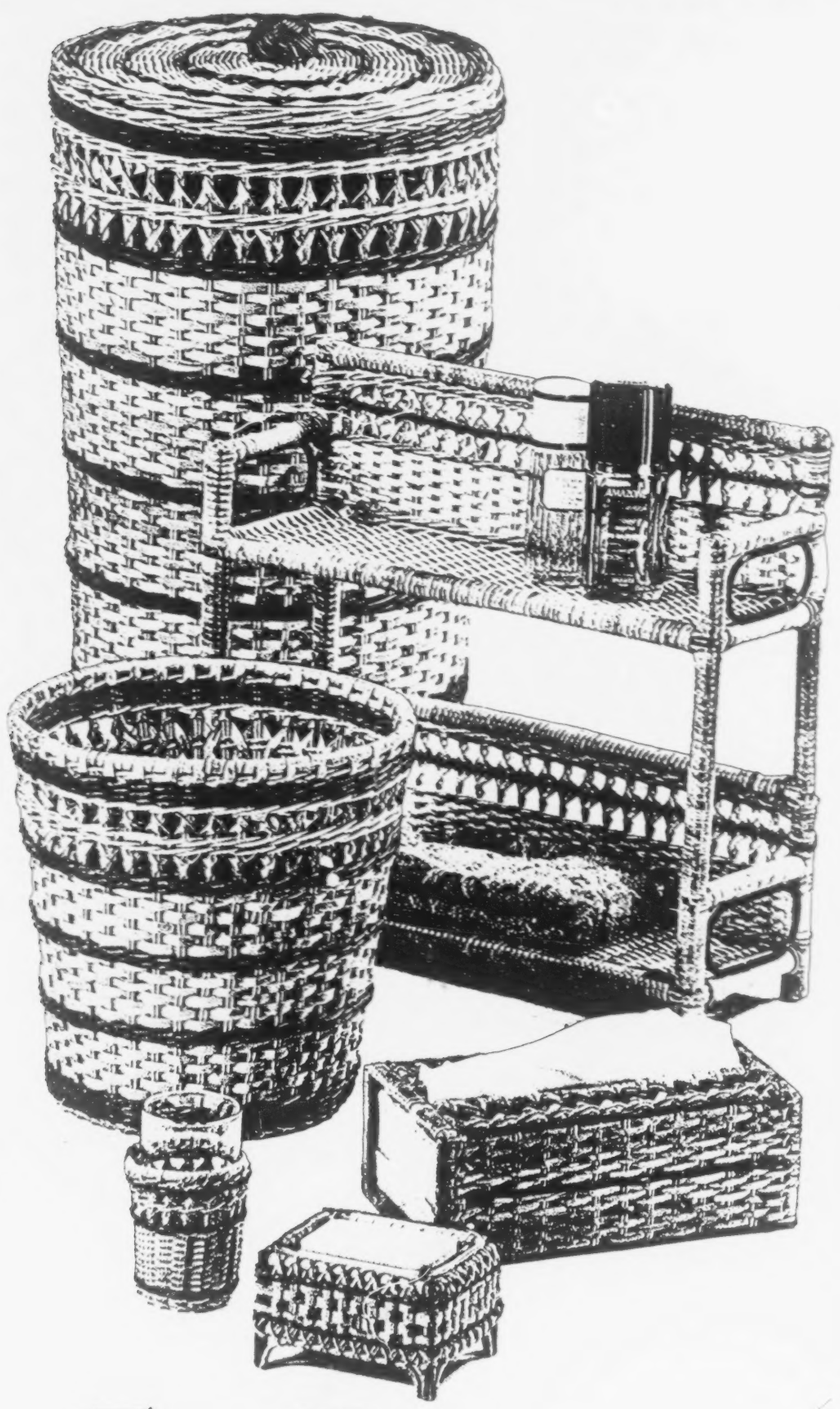
- Discount Store Sales . . $5.3 Billion
- Sales per Store $639,000
- Department Size . . . . 5,750 Sq. Ft.
- Annual Sales per Sq. Ft. $111
- Annual Turns 3.9
- Initial Markup 36%
- Gross Margin 31%

BOXSCORE



After "looking at everything else in the industry," AIM for the best management put a microwave oven and cookware package together in the housewares area to create maximum impact for the category. *(DSN photo)*

It's A Natural...



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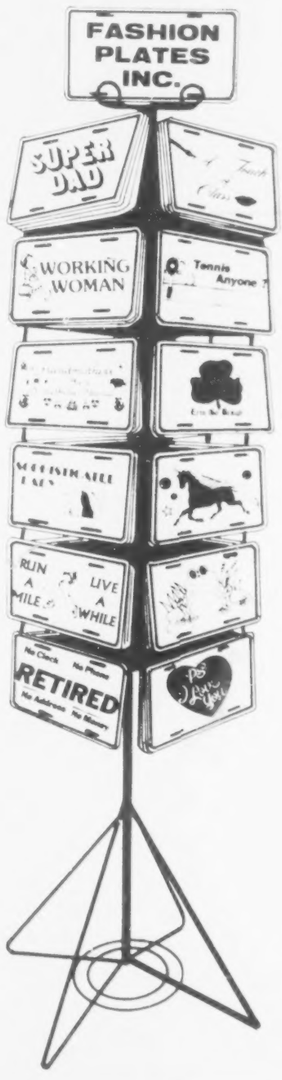

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The two-pronged strategy applied to housewares this year has been relatively successful.

Operating in 1982's treacherous economic climate propelled the discounters into a very cautious pricing posture, particularly on brand name basic items.

While discounters felt they had no choice but to generate sales with sharp price promotions on basics, this led to a highly price-competitive market with bread-and-butter housewares taking their lumps in the gross margin column.

To offset the struggle for gross margin and remove themselves from some of the nose-to-nose price competition, the majority of chains have been simultaneously strengthening their hand in the higher-end housewares business.

With the discounters' traditional customer base among the most economically pinched, an additional objective of the strong trade-up positions taken this year is to build a larger following among more affluent customers.

If the formula for balancing price promotions with trade-up efforts were working as planned, discounters would be bolstering both total sales and gross margins this year.

Mixed Results

However, *DSN*'s projection is that housewares will turn in mixed results for 1982.

Total nonelectric housewares sales (excluding glassware, listed separately) are estimated to increase from $4.8 billion to $5.3 billion in 1982. This represents a fair 10.4% increase in sales, a gain which exceeds the year's inflation rate of 8.2%.

Housewares also is going ahead in sales per store, estimated to be at $639,000, an 8.6% increase over last year's $588,000.

Annual sales per square foot at $111 will represent an 8% increase from $102 last year.

These housewares increases are expected to be offset by declines in both annual turns and gross margins. Stockturns are projected to drop from 4.1 to 3.9 this year. Initial markup is expected to remain unchanged from last year's 36%.

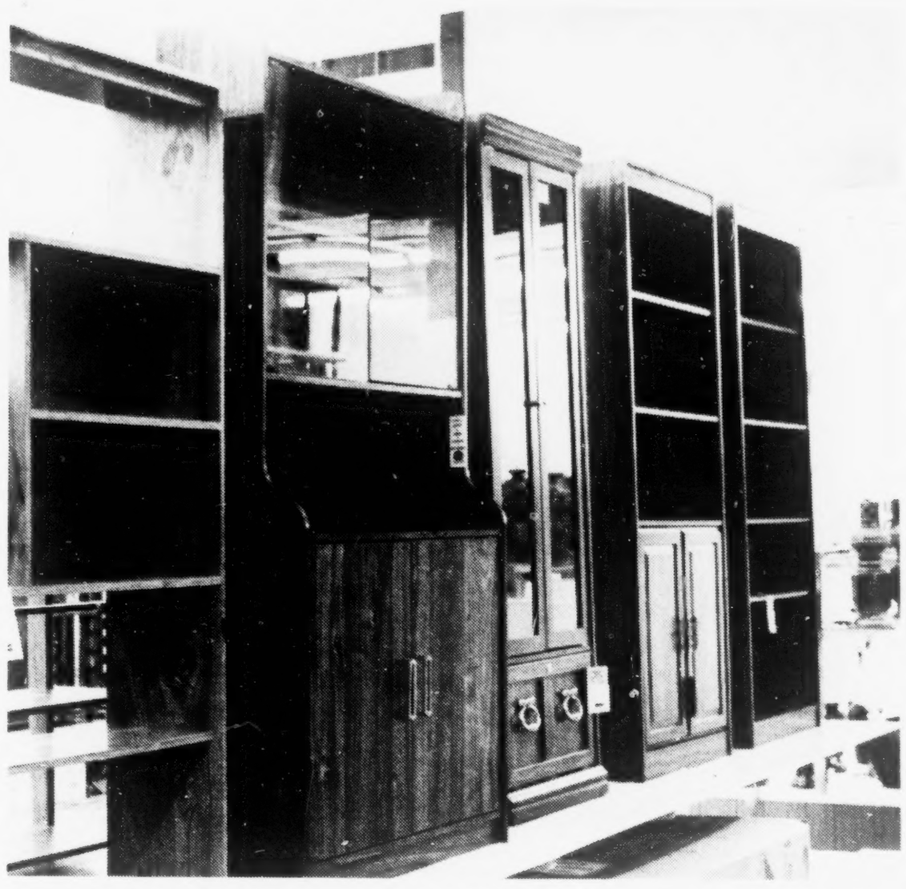
However, housewares is projected to turn in another year of sliding gross margins. This year its estimated margins will

(Continued on page 100)

HOUSEWARES

Discount Store Census '82/'83

Bradlees, Roses in Tradeup Moves



Murphy's Mart displays a variety of KD furniture wall units, a prime sales growth area for discounters, in its recently opened Glen Burnie, Md., store. *(DSN photo)*

(Continued from page 98)

decline to 31% compared to 1981's 32% and 1980's 34%. The combination of a projected drop in gross margin and turn indicates housewares isn't having a banner year in ROI.

The gross margin drop juxtaposed against the sales gain also indicates customers have been responding to the promotional efforts in basic merchandise but discounters still have some ground to cover in capturing the higher-priced business.

One chain making a major effort in that direction is Bradlees. James Hyman, vice president, gmm, described Bradlees' new housewares approach as designed "to build sales in merchandise categories presenting the greatest gross margin opportunities" and to narrow the gap between the chain and its conventional department store competition.

The Bradlees innovations set it apart from the look and merchandising of most discounters. The department has been physically segmented into three areas—living, kitchen and housewares—designated by overhead canopies.

Traditional gondola run presentation was dramatically cut back, replaced by custom-designed wood fixtures, bulk stackouts and showcases with recessed lighting, many of which were inspired by displays at such housewares specialists as Conran's and Crate and Barrel.

Hyman said the ongoing remodeling of its housewares areas was encouraging the chain's buyers to add higher priced merchandise to the mix.

Another discounter taking a major step into the fashion housewares business this year is Roses. The chain began carving out a new housewares area of approximately 600 sq. ft., called the Kitchen Nook, as a test in some of the larger stores.

The wood-framed shop contains Roses' first move into higher-priced fashion housewares such as copper pots up to $80 and merchandise representative of the Americana or country-look trend.

Buyer Larry Branch said spread of the Kitchen Nook into more units than its current placement in nine stores would depend on a study of its performance over a full year.

So far, Branch said, the figures look good, and he predicts a roll-out into all stores over 50,000 sq. ft., located in or near metropolitan markets.

Sales per square foot for the area have been running ahead of the $100 mark set for the housewares department. Gross margins have been running 6% to 8% higher, according to Branch.

Further Considerations

Further evidence of discounters' trade-up intentions, including an acceleration among chains already considered "upscale," was the heavier-than-usual discounter attendance at the San Francisco Gourmet Products Show.

Merchants from Zayre, Zodys, Prange-Way, ShopKo, Target, Bradlees, and Gold Circle were among those making the trip, most of them making their debut at this West Coast show.

Some went to buy; some to be inspired. Ron McDiarmid, Zodys' merchandise manager, said: "There's one reason for a mass merchant to go to this show. It gives us ideas of what trends are coming in and which are going out. It highlights key areas of future growth."

Prange-Way's buyer Myron Vedvik said he took out his pen and order book in San Francisco, finding plenty to buy in new merchandise at salable price points. Vedvik was looking for merchandise appropriate for the new, upscale housewares area to be unveiled along with new store prototype this fall.

Another Approach

Those chains not moving into such total housewares overhauls as Bradlees, or adding sections specifically to house higher-priced fashion merchandise, like Roses, are moving cautiously into higher price points in just about all categories without abandoning their opening price point positions.

Wal-Mart, for instance, moved up to $60 Club Aluminum cookware sets; K mart featured dinnerware imported from China at $77 for a 45-pc. set; T.G. & Y. added an open stock cutlery program with prices going up to $18.99, sets up to $38.

One category many chains are banking on to provide more sales volume and gross margin is furniture. Judging by discounters' growth in this category, they have found a void that wasn't being filled by the conventional department stores or any other retail segment.

Frank Newman, vice president, general merchandise manager for hard lines at Zodys, cited two hard lines areas of "explosive growth." One was video games; the other was furniture.

Manufacturers estimate discounters have doubled their KD furniture sales in the past five years; discounters expect the future to hold more of the same.

Very hefty sales increases for the first half were reported by several chains. Among them were Gold Circle with a 50% increase; Wal-Mart with a 75%-80% surge.

The common household shears aren't common anymore.

The beautifully styled Century line gives the common shears a proud new appearance and improved performance. Their sleek stainless steel blades and amber acrylic handles will build impulse sales the year round.

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Basics Get Focus as Sku's Are Pruned

Electric Housewares

- Discount Store Sales . . $1.5 Billion
- Sales per Store $181,000
- Department Size . . . . . 875 Sq. Ft.
- Annual Sales per Sq. Ft. $206
- Annual Turns 4.0
- Initial Markup 23%
- Gross Margin 16%

BOXSCORE

Caldor, Paramus, N.J., typifies the chain's upscale approach to presenting electric housewares. Appliances are bulk-stacked and displayed on recessed wall shelves. *(DSN photo)*

It's been the kind of year that hasn't presented too many options for traffic electrics.

The area has been buffeted by an economy prompting customers to defer electrics purchases. And, it's been a long, dry spell since the introduction of hot, new items like the slow cookers, food processors and drip coffeemakers to stimulate sales.

Even with improvement in the economy, discounters aren't optimistic about its benefits for traffic electrics, with other hard lines areas—like consumer electronics—serving up a list of new products to lure customers' discretionary dollars.

The electrics strategy adopted by most discounters as a result of these factors was summed up by Hal Pettitt, senior vice president of T.G. & Y. He said: "Our business has been very good because we've stayed in stock on basics. We used to put in any new item that came along; but for every good item, we had five that were markdowns. We don't do that anymore. But the category does need new volume items like popcorn pumpers or food processors."

General Agreement

Most chains—Zayre, Target and Gee Bee among them—have re-evaluated their electrics strategy and concluded the name "traffic" appliances had probably become a misnomer. The area doesn't pull in enough customers to warrant the designation anymore.

A Target merchant put it this way: "A list of the top 50 items in a discount store chain today probably wouldn't contain one single traffic appliance."

The upshot of the re-evaluation of the department is dramatic sku cutting in every category. With assortments and inventory levels reduced, discounters are proceeding to get behind promotions of basic, replacement items—coffeemakers, toasters, steam irons, etc.—in an effort to generate the greatest possible volume and turn.

Higher-ticket electrics—models with "whistles and bells"—have struggled into some assortments, but they rarely find their way into discounters' advertising and promotional plans.

(Continued on page 123)

THERE MUST BE GOLD IN THAT THERE ALUMINUM!

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Everyone except PEAK.

PEAK® antifreeze & coolant has always provided unsurpassed anti-corrosion protection for all metals, including aluminum.

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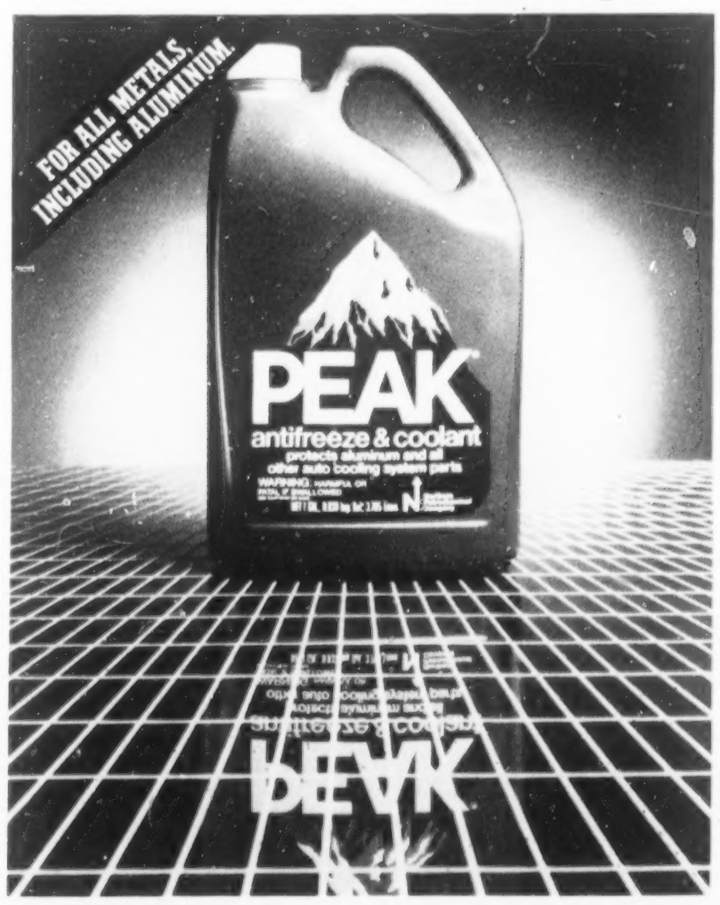


Northern Petrochemical Company

GLASSWARE

Discount Store Census '82/'83

What Recession? Biz Runs 20% Ahead

This year's projections for glassware bear out the theory that this category is recessionproof.

With sales projected to run 20% ahead, reaching $600 million—on top of a 25% increase last year—this category obviously has more going for it than new store openings and inflation jacking up prices.

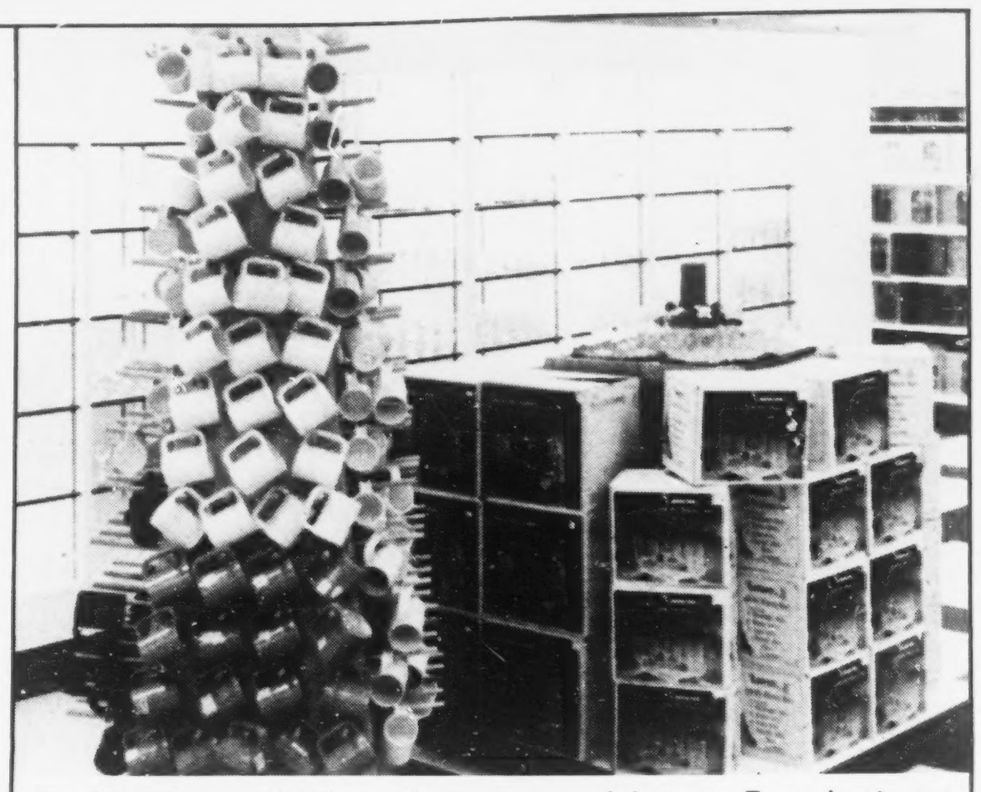
Average sales per store are projected to increase by 18% to hit $72,000. Annual sales per square foot are seen rising from $102 to $115, a 12.7% gain.

Even though glassware's score in turns, markup and gross margin are expected to remain the same as last year—4.2%, 42% and 37%, respectively—its performance ranks it among the top categories in housewares and all hard lines.

Glassware

- Discount Store Sales . . $0.6 Billion
- Sales per Store $72,000
- Department Size ..... 625 Sq. Ft.
- Annual Sales per Sq. Ft. $115
- Annual Turns 0.4
- Initial Markup 42%
- Gross Margin 37%

BOXSCORE



Bradlees has cut back on glassware gondola runs. Boxed sets are stacked out with a center pedestal table displaying merchandise; bulk glassware is housed in a display unit with glass shelves and recessed lighting. *(DSN photo)*

Increased Sales

Several trends surfacing last year and accelerating this year kept glassware ahead of the pack in sales growth. For one, discounters cashed in on the entertaining-at-home trend by expanding their glassware sections.

Principal beneficiaries of the expansion were combination glassware sets and stemware. Discounters also give credit to the widespread manufacturer introduction of four-color lithography in packaging, with its added eye-appeal, as giving a boost to the glassware business in general, combination sets in particular.

Finding little to no price resistance to combination sets—18-32-piece sets—retailing between $10 and $20, most discounters carved out a permanent place for them in glassware assortments instead of sticking with their previous strategy of bringing the sets into the store for in-and-out price promotions only.

Similarly, stemware earned a permanent year-round section in most chains this year, a switch from their former method of bringing in the merchandise for holiday selling only.

T.G. & Y. is one example of both changes. Last year the chain had essentially a 4-pack glassware operation with combo sets used only for promotions; stemware arrived in October and wasn't replenished after Christmas selling.

Beginning in 1982 the chain set aside one gondola run to house combination sets and stemware on a 12-month basis. The sets occupy 70% of the gondola run; stemware, 30%.

At Hills stemware was described as "one of the fastest-growing areas of glassware." Until this year stemware was carried only between October and December. Now Hills devotes 4 ft. of its 26-ft. glassware area to stemware on a 12-month basis.

ShopKo is another chain in which the growing importance of combination sets is apparent. In the chain's 90-ft. glassware section, combination sets have been given 20 ft.

At Zodys, combination sets occupy a 16-ft. gondola run. This is the same amount of space given to 4-packs in glassware, once the overwhelming share of most discount chains' sales and assortment.

Another significant aspect of the glassware market is the increase in the number of manufacturers looking for a larger share of this growing discount store category. J. G. Durand, which has just opened its first United States production facility, and Wheaton and Riekes Criesa, among others, are making major efforts to expand their discount store distribution.

RECORD/TAPES

Discount Store Census '82/'83

New Promos Developed; Stocks Pruned

Record and tape sales seem to be moving to a slow waltz rather than to a rock-and-roll tune as a scant 6.6% sales increase is projected for 1982.

Discount store sales are expected to reach $1.6 billion this year, up from $1.5 billion in 1981, as sales per store creep up to $193,000 from $184,000.

Although chains are managing to pull gross margins up to 23% from 18% a year ago, turns are dropping from 4.4 to 3.4 annually.

As prices on records and tapes continue to climb, buyers face a decline in the teenage population that once kept the department hopping. In addition, video games are posing strong competition in the struggle for the young people's spending money.

Chains report a clear stiffening in sales since the price of double albums hit $14. The fastest moving price points for most discounters are in the $6 area.

In tapes the tide continues to flow away from 8-track cartridges in favor of cassettes, owing to the popularity of portable cassette players.

In moves to bolster profitability, chains such as Woolco, Heck's, Cook United and Caldor are cutting inventories and developing creative new promotions.

Different Techniques

At Heck's the strategy is to shift the focus to lower priced 45's by taking on a broadened assortment. A full program of 45's, tagged at $1.39 to $1.99, was tested in about 25 of the chain's stores in the spring. The program was adopted chain-wide in June.

"In the process of taking in more 45's we will dress up the department, adding more pizzazz and merchandising it better," explained buyer Larry Lacey.

The entire department will be refixtured in Heck's stores, Lacey said. Top hits will be merchandised together and a top-seller chart will be posted within the section.

The change in mix will also extend to tapes. A mix once 70/30 (8-tracks to cassettes) will be gradually shifted closer to 50/50, said Lacey.

To boost profits, Woolco is shifting to its own computer system and phasing out its current use of a distributor to track and order its stock. The changeover should be complete by 1984.

To hold down inventories, the New York-based chain only takes in releases generally expected to make the best-seller list. Albums by such rock-and-roll favorites as the Rolling Stones are must-haves; classical categories aren't carried, a chain spokesman said.

Cook United didn't eliminate, but switched distributors this year, because a new distributor offered more promotions geared to spark LP sales.

New Approach

Also, starting this year every Cook store devotes an endcap to six of the current best sellers.

Two-for-one promotions on cut-outs (albums whose popularity has fallen off but will still sell at sharply reduced prices) have also helped the chain to keep the department stable, a spokesman added.

Caldor, enjoying strong sales in new releases, tried a different tack to sway more customers into its record department.

The Connecticut-based chain set up a D.J. booth in the department, where current best-sellers are played and information is given.

Records & Tapes

- Discount Store Sales . . $1.6 Billion
- Sales per Store $193,000
- Department Size .... 1,050 Sq. Ft.
- Annual Sales per Sq. Ft. $183
- Annual Turns 3.4
- Initial Markup 25%
- Gross Margin 23%

BOXSCORE

Discounters are tightening record inventories to a select assortment of sure-selling albums. In the Permian Basin Gibson's, Odessa, Tex., the top 10 are set out on an island display. *(DSN photo)*

PERSONAL CARE APPLIANCES

Discount Store Census '82/'83

Air Cleaners Hot; Price Points a Problem

Hair care appliances remain the backbone of personal care electrics, but they took a back seat to the excitement created by a hot, newer category—air cleaners.

The appliance hit its stride during the second half of 1981 but some discounters had their doubts about its staying power. They were wrong. First-quarter 1982 results proved the item would, if anything, continue to gain in strength.

With tonnage quantities expected to sell this year, the central question concerning air cleaners was price points.

Early in 1982, the market had a whiff of price competition as low as $9.99. With more Far East imports, some of them direct imports, expected to land, discounters wondered what opening price it would take to remain competitive and how high in price to move with new step-up models sporting such features as multispeed fans and larger air cleaning capacities.

Price-point decisions varied from chain to chain with some, including Zayre, K mart, Gold Circle and Magic Mart, planning to jump into the under-$10 price fracas.

The majority of discounters, regardless of opening price-point position, continue to have at least one moderate-priced, $15-$20 unit from a major brand such as Norelco, Rush Hampton and/or Pollenex represented in their assortment.

Wal-Mart was among chains expanding assortment and stepping up in price. The chain moved from one to four sku's, with a top price at $30 for Pollenex model 799.

Merchandising Move

S. E. Nichols' second-half plans include moving to the $30 price for Sunbeam's model 5725.

Despite differences in planned price positioning, most discounters expect the heaviest rate of sale to continue to center around price promotions, meaning the air cleaners aren't expected to be a bonanza in gross margin.

However, a Zayre merchandiser's comment about profit potential of the category was typical: "We will sacrifice gross margin in the sale of the units to be competitive, and make up for it in the greater gross margin opportunity in the filters."

The surge in air cleaner business was partially responsible for the sales increase in the personal care category this year.

Another factor was 1982's sku-cutting in all electrics, including personal care. Discounters whittled assortments down to only the fast-turning items which were, in turn, backed by the heaviest promotional effort.

In personal care, this resulted in several chains cutting down on fringe items.

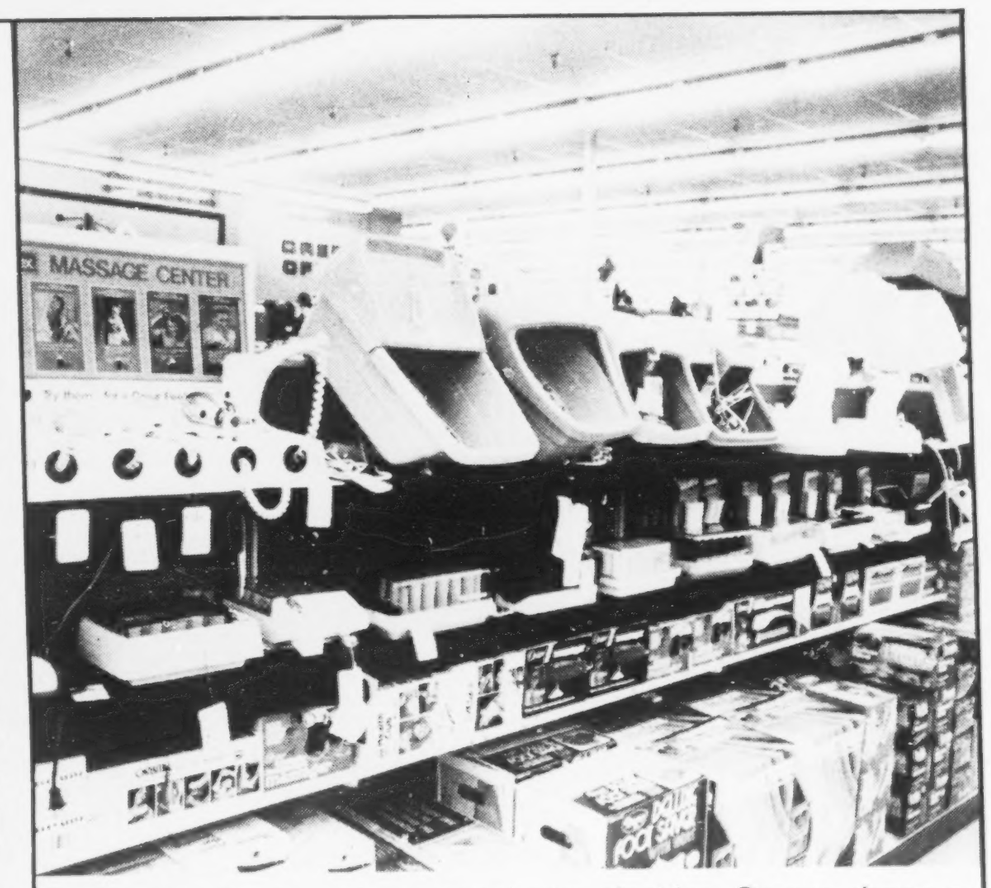
Nor were hair care appliances, which generate personal care's largest volume, immune to the cutting. The big assortment spread in styler/dryers has been cut back so that a typical assortment includes only the top items in pro and turbo models.

Air cleaner volume and the focus on fast-turning items are boosting personal care appliance sales by 8.6% this year, up to $2.5 billion. Sales per store are projected to increase 6.7% to 301,000 with sales per square foot estimated to be $334, another 6.7% increase.

Personal Care

- Discount Store Sales .. $2.5 Billion
- Sales per Store $301,000
- Department Size ..... 900 Sq. Ft.
- Annual Sales per Sq. Ft. $334
- Annual Turns 4.0
- Initial Markup 22%
- Gross Margin 16%

BOXSCORE



Contrary to the trend in personal care electrics, Gemco shows a broad-assortment approach including several sku's each of massagers, foot baths, hair setters and hard-hat dryers. *(DSN photo)*

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HOME SECURITY

Discount Store Census '82/'83

Locks Click, Aided by Heavy Promotions

Most stores, such as Jamesway, Pompton Plains, N.J., put the bulk of their home security dollars into the lock category—with the area showing a sales gain of 25% in 1982. *(DSN photo)*

Lock sales give discounters a secure position in home security. Some chains have experienced a 25% sales growth in the category, shown here at Heck's, Charleston, W. Va. *(DSN photo)*

Discounters are trying to keep the door open to increased sales in the home security category by shoring up their already strong lock classifications and keeping their eyes on new items such as home safes.

Lock sales are showing gains of up to 25% over last year, making them the primary bright spot in the department. Both heavy promotions and fine-tuning of the lock mix contributed to their success. Buyers have set their sights not only on new products but also on more promotion deals and new packaging.

Chains are basically divided as to whether to expand or stay put with their home security space allocations. Zayre's merchandise manager Dennis Grieco said, "We have an extensive section that we're looking to refine, not expand."

Door locks are Zayre's hottest items, window locks the slowest. Zayre may drop sku's in the home safe category, where sales of three sku's are soft, Grieco said.

Bradlees is one of the few chains to tout safes in recent promotions. The chain averages 16 running feet and a 4-ft. endcap in hardware for home security. A $129.99 three-combination lock cadet safe was selling on ad for $99.99, alongside a combination wall safe priced at $79.99, for 20% off.

Heck's is considering putting in home safes. Buyer Carlos Owens said there have been indications at store level that the market is opening in this category.

The West Virginia-based chain noted a 25% sales increase in its lock category. Owens' program emphasizes padlocks and passage locks. In passage locks the chain carries three sku's, promoted at $1.99 to $3.99. Entrance locks at the chain retail for up to $16.88.

Entry locks and deadbolts, priced up to $10, are winners at S. E. Nichols. Sales are up 25% in a fine-tuned program with two import lines and six mid-priced domestic sku's.

Buyer Ed Mendelson has enjoyed strong sales from fire extinguishers, with three sku's priced from $9.99 to $25.99. "Last year we couldn't get them shipped to us fast enough," said Mendelson. The category is promoted three times annually.

In recent fire extinguisher promotions, Gold Circle offered three types—effective on liquids, electrical fires, and more—on sale for $7.99 to $17.99, regularly retailing at $10.99 to $24.99. Bradlees cut 25% to 35% off its selection for liquids, wood, paper and electrical fires, priced at $8.99, $10.99 and $19.99.

Murphy's Mart, like many chains, has seen hot sales in smoke detectors since new ordinances were passed in their coverage areas requiring the items in homes.

The chain offers three sku's from $9.99 to $17. The high-end model is offered on sale with a $5 rebate, bringing the final cost to customers to $10.97.

K mart has allocated most of its 12 running feet in security to locks. The chain has moved out of alarm systems; a spokesman said they only sold on markdowns. Only one sku is offered in the smoke alarm area.

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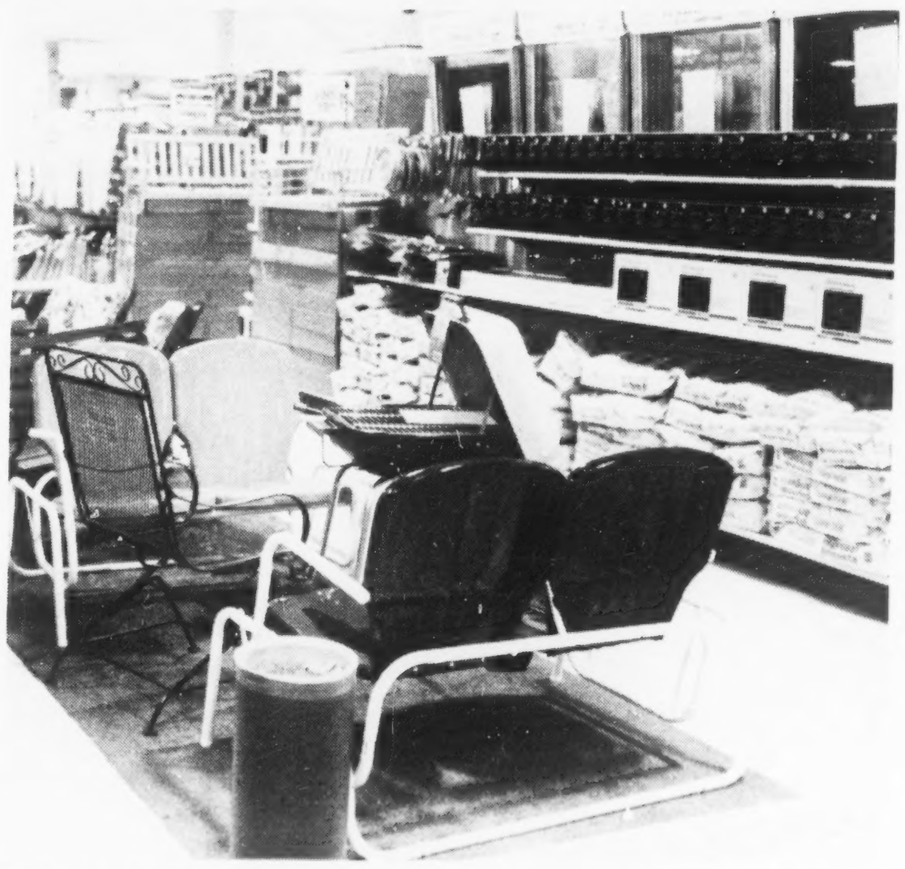
LAWN & GARDEN

Discount Store Census '82/'83

Mower, Furniture, Grill Tickets Rise



Patio furniture groupings and grills of various styles highlight the lawn and garden department at Wal-Mart, Fayetteville, Ark., in season. Both categories are getting tradeup treatment by most chains.

Center-aisle display in lawn and garden goes to higher-ticketed riding mowers, trailers and spreaders at Woolco, Lindenhurst, N.Y. Push mowers occupy slanted-shelf wall displays in the back of the department. *(DSN photos)*

Lawn and garden departments are being revamped in discountland, because of higher prices in key categories: lawn mowers, patio furniture and grills.

Lawn mower merchandising has become a whole new ball game by virtue of $25 to $80 per-unit price hikes accompanying new safety features mandated for all units marketed after the July 1 enactment of a new Federal law.

Buyers, many of whom reported resistance to higher-end mowers this year because of the sluggish economy, expect to make radical changes in their programs to compensate for new prices. Many chains like Magic Mart and Murphy's Mart report they will be trimming unit counts when mower orders are placed this fall.

Change Planned

At Murphy's Mart, plans include maintaining sku counts in lawn mowers, but the chain will trim back on depth of lines carried, a spokesman said. During the past year, Murphy's Mart cut sku's in mowers from nine to eight to combat sluggish sales at the higher end.

At the same time, Murphy's Mart will enlarge its assortment of lawn mower replacement parts, hoping to capitalize on what it sees as consumers' desire to hold onto older models longer and to put off trading up to more expensive units with the new safety features.

In patio furniture, new higher-ticketed PVC (polyvinyl chloride) groupings have whetted discounters appetities for trading up.

Sales Improve

Some chains reported excellent sales of the furniture which was popularly priced at $200 to $300 per group.

PVC groupings in the $200 area tended to be the best sellers for chains like T.G. & Y.

Some chains like Zodys, however, say they will wait for PVC prices to fall below the $200 mark before entering the marketplace with an offering.

The bulk of movement in higher-end gas grills continues in the $100-$200 price range, although chains stocked units for up to $300.

Chains like Bradlees which heavily promoted gas grills at $100 found unit sales higher in the $100 to $200 range, especially for grills with added features such as cutting boards, up-front controls and cast iron construction.

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NEW YORK—The National Retail Merchants Assn. will hold its 9th World Congress of Retailers and World Business and Equipment Expo at the Palais des Congres, Paris, France, April 8-11, 1984.

Over 1,000 delegates representing top management of stores from all corners of the globe are expected to attend, according to NRMA president James R. Williams.

In addition to providing a forum for the exchange of ideas and information on the improvement of retail distribution, the conference will feature an expo of the newest technology, equipment and services used worldwide.

CHILDREN'S WEAR

Discount Store Census '82/'83

Licensed Goods Spark Fashion Surge

A new focus on fashion presentation appears in children's departments in discounters such as Murphy's Mart (l.), Glen Burnie, Md., and Zodys (r.), Las Vegas. *(DSN photos)*

The U.S. Census Bureau's optimistic projections for a birth rate of 4 million per year for the remainder of the decade is only one factor prompting a surge of interest in infants' and children's apparel.

Discounters who would be reluctant to swell the category in size and assortment based only on baby-boom predictions say consumers are buying more fashion goods—particularly licensed ones—to rationalize new merchandising treatment.

Many chains reported notching 10% to 20% sales gains so far this year, with initial markup running in the neighborhood of 50% to contribute equally uplifting profit.

Chains looking to tap into the growing and lucrative market have gone to better presentation of departments—giving them more main-aisle frontage, faceout fixtures for display, increased depth and width of assortment—all supported by additional advertising linage.

Some chains like Gold Circle are even upping space although most chains prefer to keep space stable and work only on improving presentation.

Zodys, expecting to do 20% better in sales than last year with $13 million in infants' business alone, is among those pushing fashion in presentation and assortment.

Merchandise manager Stanley Friedman says fashion looks like activewear have become more and more important each season, demanding a new approach in merchandising.

Like Zodys, S. E. Nichols has focused heavily on activewear in infants' and children's. "We gave it much more space, mostly at the expense of less profitable areas like dresses," said merchandise manager Ed Dennenberg of Nichols.

Besides tracing the filtering down of fashion looks from juniors to children's and infants', Gold Circle merchandise manager Kathy Hurley noted fashion excitement stemming from the great licensing phenomenon.

For most chains, 1981 was a super year for sales of little-girl-favorite Strawberry Shortcake merchandise. But, early in 1982, her dominance in the licensing—particularly children's apparel—market began to wane.

As a result, Clover this spring pulled apart its Strawberry Shortcake departments, which were created for back-to-school 1981.

However, a host of new licensed characters whose greatest impact is in children's wear has sprung up to replace Strawberry Shortcake—although merchandisers expect none to have her strength and few, if any, will give them the play they gave her.

Shifting Emphasis

Clover, which devoted four pages of last year's BTS tab to Strawberry Shortcake (predominantly apparel) this year featured Smurf, but gave the character only two tab pages. In stores, Smurf merchandise and that of other new licensed characters, like E.T., isn't broken out into a shop, but is kept within categories.

At Nichols, while a good deal of licensed merchandise like Smurf still enjoys good play in groupings, the chain omitted buying some items like dresses and coats that last season were purchased with the Strawberry motif.

Nichols' Dennenberg also explained his merchandisers are being extremely selective in picking licensed apparel, so as not to risk major markdowns.

"The quality has to be good because the consumer is paying a higher price for the merchandise, anywhere from 25% to 50% higher," Dennenberg stressed.

Gold Circle's Hurley also noted consumers are being more quality conscious. But, when durability is coupled with fashion, Hurley found little resistance to higher prices, despite the tightened purse strings produced by the economy.

Most chains report brand names, however, aren't necessarily the enticement for customers trading up.

Zayre doesn't stock any brand in depth or on a permanent basis in its 200-500-linear-foot infants'-toddlers' sections, finding consumers bypass the lines even when promoted on a special buy.

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Discount Store Census '82/'83

Quality, Not Price, Gets Overall Thrust

Sporting goods merchandisers see three trends boosting volume this year: higher-ticket exercise equipment; strong demand for such staples as fishing, guns, ammo and outdoor games, and the sales appeal of licensed movie and TV characters on children's ride-on goods.

The overall thrust, discounters say, is for consumers to purchase goods based on quality, rather than price, a pattern that emerged last year as shoppers went after items that would last longer despite the higher cost.

The bottom-line result of this trend is a projected 14.1% jump in total discount industry sporting goods sales to $3.1 billion from $2.7 billion. Volume per store is seen as hitting $374,000 up 13% from $331,000, while the department's size remains at 2,500 sq. ft.

Sales per square foot will keep pace with the store volume gain and amount to $149, up 12.9% from $132. Turns, however, will decline to 2.5 from 2.9.

Sporting goods productivity will remain constant, with initial markup rising slightly from 36% to 37% and gross margin going from 30% to 31%.

Rising Trend

Exercise equipment is a prime example of the demand for better quality goods, regardless of the price. Sporting goods buyers are confident that fitness-conscious consumers will spend up to $200 for a "fully loaded" exercise bicycle, complete with digital readouts for such information as caloric expenditure and miles per hour.

A Woolco merchandiser called exercise equipment "the hottest growth category" within sporting goods.

He added that "anything to do with the women's fitness category is skyrocketing" and noted his chain is counting on smaller 3.3-lb. women's weights, sauna suits and waist trimmer belts to be star performers.

Roses is considering adding such high-ticket items as treadmills and rowing machines because of the strong interest in exercise, a merchandiser said.

Merchandising Move

The exercise interest has spread out to such related areas as warm-up suits and other apparel items. Nichols this year will merchandise activewear within sporting goods.

The trade-up trend is most pronounced in guns, with hunters willing to spend $300 to pursue their sport, and collector-class rifles and pistols carrying price tags exceeding $500.

A John Wayne memorial rifle, for example, was retailing at $655, and a Murphy's Mart merchandiser said limited production has curtailed the number he could have sold.

A T.G. & Y. merchandiser explained the strong demand for guns and ammo this year "because the category seems to run in three-year cycles." The last super year was 1979.

Combination rods and reels were cited as the jumping item in the fishing area. ShopKo, for one, increasing its assortment by 15% to 27 sku's.

The chain's merchandiser explained that "combos are the items for this season. They are easier and faster for the customer to buy because the rod and reel are together in a package."

Sporting Goods

- Discount Store Sales . . $3.1 Billion
- Sales per Store $374,000
- Department Size . . . . 2,500 Sq. Ft.
- Annual Sales per Sq. Ft. $149
- Annual Turns 2.5
- Initial Markup 37%
- Gross Margin 31%

A golf accessories shop is created in Bradlees, Hingham, Mass., through the display of related merchandise along a wall. Small items are mass displayed while samples are shown of bulky goods. *(DSN photo)*

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Isadore Barmash is Assistant Financial Editor and retailing specialist for *The New York Times*.

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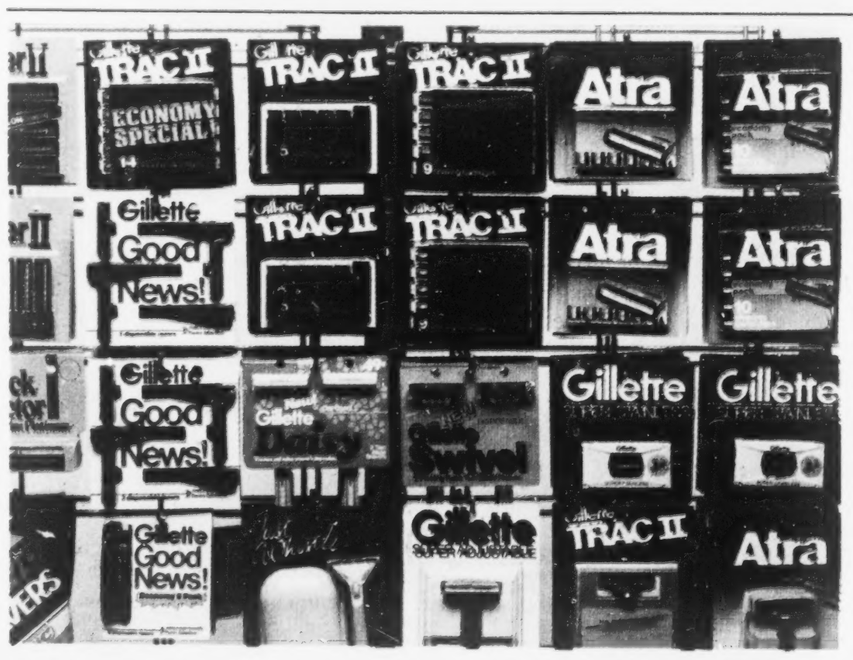

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LADIES' APPAREL — Discount Store Census '82/'83

Buyers Seek New Star As Status Jeans Slip

In ladies' apparel, the problem in 1982 has been finding a replacement for the fading status of the designer jeans market.

Discounters like Jamesway began easing their focus on the jeans—which have given them fashion and name brand recognition with consumers for several years—when it was clear women were displaying a passing fancy for the status label on the derriere in the first quarter.

"We're tapering off with status jeans because our customers are tapering off," Jamesway vp and gmm Joe Nusim told a session of the National Mass Retailing Institute convention in San Diego.

"Now we're trying to figure out what will replace those jeans."

Ladies' apparel sales, nonetheless, are soaring to $11.8 billion, up from $9.1 billion a year earlier. Average sales per store are climbing to $1,426,000, up 28% from 1981 figures, as sales per square foot go to $142 from $112.

Faster Turnover

While gross mmargins remain steady at 36%, turns grow to 5.9 and initial markup is being upped two percentage points to 46%.

While there may not be a replacement for the draw that status-brand jeans generated, discounters are becoming more and more fashion conscious this year, turning to other ladies' fashion wear, including prairie and tuxedo looks. But of all looks, activewear is seen as the real growth area.

"Jogging suits and other activewear have taken a lot of the jeans business in our area," commented T.G. & Y. vp Hal Pettitt.

Chains throughout the country have noted the increasing activewear fashion trend and hve acted to go after the increased market share being projected for the category through the balance of the year and well into 1983.

Wal-Mart dove heavily into activewear to make its fall fashion statement. The chain invested in velour holiday coordinates with price tags up to $50.

For fall, discounters also jumped into a specific new activewear look: dancewear, which is currently a department store best-seller.

Added Category

Chains like Gold Circle plan to devote up to 12-ft. sections of ladies' wear to the category which combines leotards, tights, legwarmers, headbands, skirts, shorts and coverups.

Jefferson/Ward, keeping dancewear in its hosiery department, instituted cross-merchandising techniques to tie in other activewear items like fleece-back sweaters from its ladies' department.

Alexander's went all out and built a shop for activewear.

Bradlees gave active sportswear and spectator sportswear frontage in its Mrs. department as well.

"Our T-stands show the trends of the moment," said Bradlees vp and gmm Harry Kohn, who also pointed to junior sportswear departments whose frontage went to prairie skirts and tops, nautical stripes, as well as basic Lee and Wrangler jeans. The jeans, which give name brand emphasis, are among the few "name" lines available to discounters on a direct basis.

Industry apparel officials say they are still reluctant to pick up a name brand unless they can purchase goods direct.

New Approach

Most chains say they have seen some softening on the part of some branded apparel manufacturers who in the past gave a steadfast "no" to selling direct. The economy has caused inventory stack-ups and manufacturing plants are running less than capacity, making a new distribution avenue attractive.

Discounters' hope that the situation with branded houses will further change was heightened by Levi's deal during the year to sell Penney and Sears its lines.

"We'd like to have Levi selling us jeans direct, and we'd like to have Levi's other merchandise," said T.G. & Y.'s Hal Pettitt.

In a new way of attacking the problem of adding more brands, K mart this year took a former department store label (now being manufactured by a new company, and solely for K mart.)

The industry is eagerly watching the results of K mart's deal with Kayser Roth, which is manufacturing the Jonathan Logan name in apparel for the giant discount chain. (Jonathan Logan Inc. had manufactured the line for department stores for 40 years when it suspended production, then signed its rights to the name to Kayser Roth.)

As the industry evaluates K mart's success with Jonathan Logan, which debuted in 400 stores for back-to-school, it continues to gauge the effect designer jeans had in the long term on image building.

Nusim at Jamesway, whose chain did $1.5 million in sales of designer jeans in 1981 (with an average of 20.5% mmarkup), explained: "We hope the jeans helped our overall store image, especially in the ladies' department. . . . We hope they increased our customer base. But it remains to be seen if they gave us any kind of image at all over a long period of time."

Ladies' Apparel

BOXSCORE

- Discount Store Sales . $11.8 Billion
- Sales per Store $1,426,000
- Department Size ... 10,000 Sq. Ft.
- Annual Sales per Sq. Ft. $142
- Annual Turns 5.9
- Initial Markup 46%
- Gross Margin 36%

Discounters report good sales of prairie, mini and tuxedo fashion looks, besides activewear. Wal-Mart, Rogers, Ark., builds its fashion image with designated signing. *(DSN photo)*

Discount Store Census '82/'83

Flood of Licensed Items Makes Waves

Discounters are facing an unsettled toy outlook this fall.

Licensed characters of TV, movie or arcade game fame are due in most categories and are expected to generate greater interest in toys overall this fall, particularly if manufacturers carry through on their extensive promotional plans.

However, the expected flood of characters has resulted in some discounter concern. "If we don't watch it, we'll be Smurfed out," a T.G. & Y. merchandiser warned.

This disquiet over the only major new merchandising trend in toys points up discounters' concern about sales this fall.

Price hikes, in particular, are expected to present problems in such areas as preschool and high-end trucks, while video games are seen as continuing to cut sharply into sales of board games while almost sounding the death knell of hand-held electronic games.

Upward Spiral

These downside factors are countered by the growing interest in military and space toys, a swing to higher price points for models, greater focus on fashion to spur doll sales and continued strength of craft goods.

Discounters plan to swing behind licensed characters because of manufacturers' strong advertising support for this merchandise. The T.G. & Y. merchandiser summed up the situation by noting that while he was leery about the large increase in licensed toys he was looking for items being backed by heavy manufacturer promo dollars.

The wary approach to licensed characters also holds for the broad area of electronic toys.

The new tabletop arcade games are expected to be strong sellers as holiday gift items despite carrying tags in the $50 area. A Cook United merchandiser said he was "very impressed" with the array of arcade games that could now be played at home.

While prices in the $50 area are acceptable for home arcade games, similar tags are seen as presenting problems for electronic versions of staple board games. The nonelectronic versions carry tags of $10 or less, so that consumers may be hesitant to make the big jump to $50 or more.

Fewer Units

Action at a price is the key to sales of cassettes for video computer/game players. While the basic units—which are sold in consumer electronics—carry tags of $150 and over, the cassettes are competitive with hand-held electronic games.

The continuous introduction of new game cassettes, along with the development of home arcade games, has resulted in sales of hand-held electronic games dropping dramatically.

Discounters, in turn, have made similar drastic cuts in their sku's. Woolco, for example, plans to cut its mix 15% to 20% this year on top of a 60% trim made in 1981.

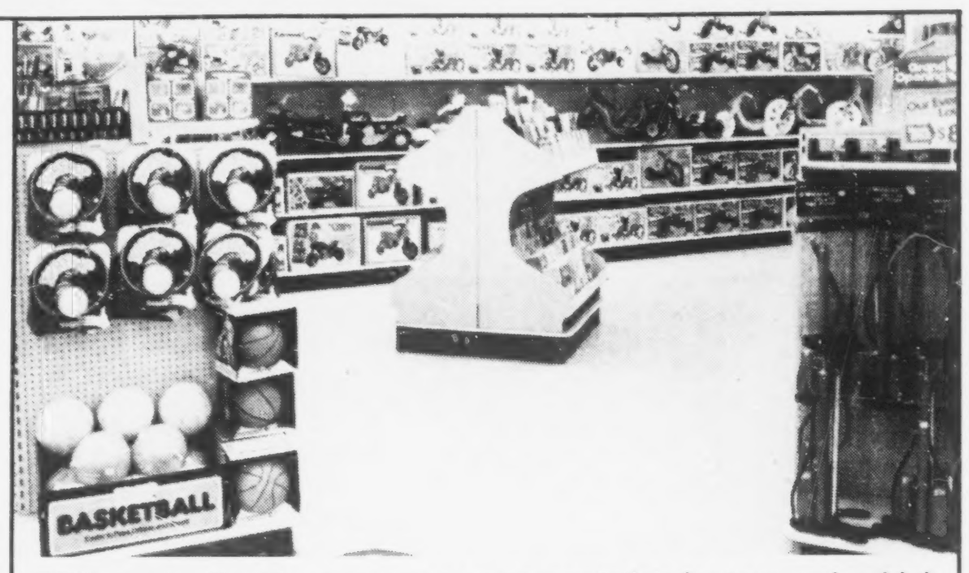
Limiting the commitment to problem toy classifications has spilled into other areas besides hand-held electronic games.

In the truck classification, for example, sales of high-end items have been weak and a number of discounters have trimmed their assortment.

Toys

- Discount Store Sales .. $3.5 Billion
- Sales per Store $422,000
- Department Size .... 2,650 Sq. Ft.
- Annual Sales per Sq. Ft. $154
- Annual Turns 3.4
- Initial Markup 33%
- Gross Margin 26%

BOXSCORE



CSC, Louisville, Ky., has an open presentation for toys, using high runs along walls and lower, straight runs and angled displays in front. This approach allows customers to easily view the broad assortment of goods.

Lee and Stella Brillhart with Bell A.E. Joe Garrett

"Lee and I went with Bell because of Joe."

Lee and Stella Brillhart, owners of Tape Town in Seattle, Washington, know that no business is too small or too large to profit from automation.

That's why they put an inventory management system from Bell to work in their sixteen Washington retail stores. All sales and inventory reporting was manual before the Brillharts installed their system. Now, with a combination of Dataspeed® terminals, Bell printers, and data communications storage units, full reporting is much faster, more accurate. Stock never drops below their safety inventory figure. They can reorder more quickly. They feel they have better control.

Lee and Stella considered a number of other systems. But the other systems turned out to be too cumbersome —and too expensive.

The bottom line for the Brillharts wasn't price, though. It was the working knowledge and committed service of their Bell Account Executive, Joe Garrett. According to Stella, "We chose Bell because of Joe. He was so concerned about our needs and finding a way to help us." She explains, "Joe took the time to find out what our needs were. He made a complete study before recommending a system that could satisfy them."

Lee and Stella say they have "no computer background," but their system from Bell is straightforward and easy to use. They can understand it in layman's terms—just what it can and can't do. In fact, they're planning to expand its functions to include order processing, and time and expense reporting.

You know how the Brillharts feel about Joe. One call to your Bell Account Executive can put the same knowledge to work for you.

The knowledge business

MEN'S/BOYS' WEAR

Discount Store Census '82/'83

Activewear Molded Into the Fashion Look

The men's and boys' wear department performance has been less than dazzling this year, despite discounters' continual push to enliven it with fashion activewear and more sophisticated departmental treatment.

Sales are expected to hit $6.6 billion, up only 8%—about even with inflation—from last year's $6.1 billion.

Projected sales-per-square-foot and sales-per-store figures at $105 and $797,000, respectively, are only 6% higher than last year's $99 and $756,000. The increases will come as department sizes inch up 5% from 7,560 to 7,600 sq. ft.

There is some better news at the bottom line, however: annual turns are rising to 4.0 from 3.9, and average gross margins from 33% to 35%.

Initial markup is holding steady at 41%.

Throughout the year, buyers' strategy has been to proceed with caution, taking a realistic approach to uncertain times. This year's assortment has been heavily geared to casual looks and basics assortments dominated by fashion jeans, classically styled poly/cotton pants and shirts and knit shirts.

New Approach

Activewear has been molded into "the fashion look," replacing the western emphasis, which continues to be strong only on the regional basis from which it came.

Father's Day and back-to-school promotions at most chains heavily touted activewear coordinates.

Bradlees exemplified most chains in Father's Day promotions, giving front-page play to activewear coordinates. But, the chain went a step further by devoting two of eight men's wear pages in its 24-page Father's Day tab to the category.

Some buyers taking a strong stand in activewear, however, said sales for spring fell short of expectations. Fishers Big Wheel, for example, went heavily into activewear for Father s Day and found it had to start markdowns earlier than the traditional Fourth of July sale date for summer.

Still Developing

"We ended up doing extremely well," said Fishers' vp of sales and promotion Homer Helter, "but we weren't doing well early."

Still, Helter believes in the category. "We've taken a strong stand again for the fall, because we believe in it so much," he added.

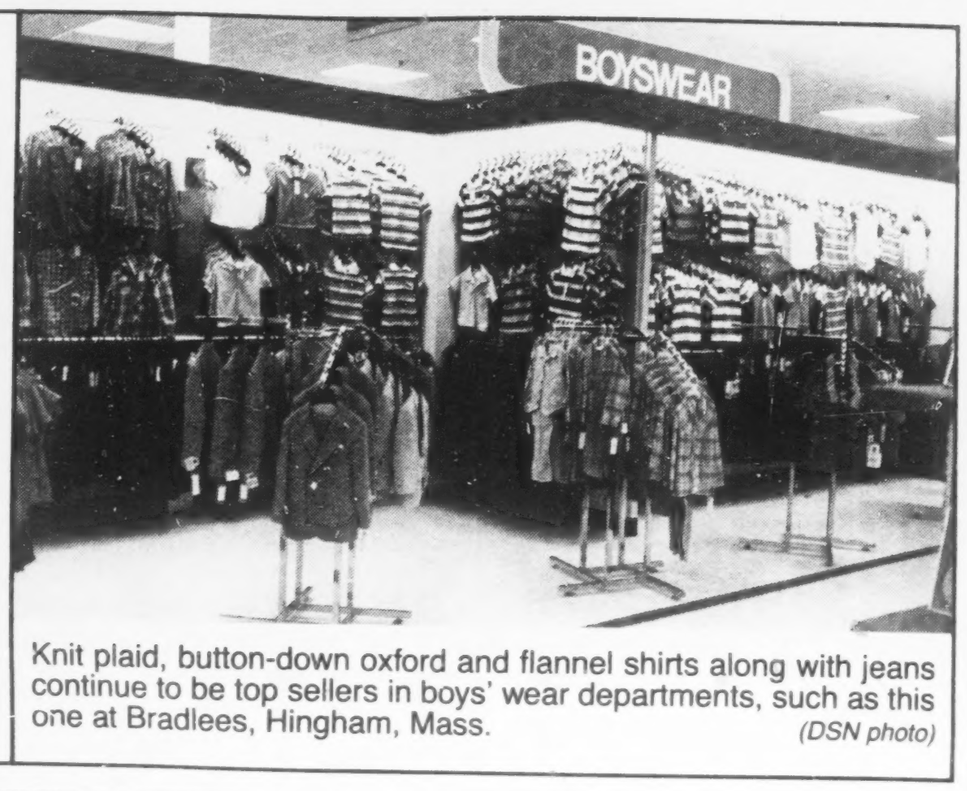
The National Association of Men's Sportswear Buyers predicts activewear, especially fleece-hooded and crew sweatshirts and jogging suits, will continue strong through fall in both men's and boys'. The association also points to semiactive looks instead of the "real" jogging outfits for great fall sales, including open-stock separates of fleecy jackets and pullovers that have the jogging look; velour lounge suits; raglan pullover tops; fashion sweatshirts; pouch-front knit shirts and long-sleeve rugby knits.

In boys', button-down oxfords, plaid shirts and flannel shirts will continue strong, as will five-pocket western jeans, corduroy and twill pants.

The bulk of pants promotions for BTS continued to go to name brand jeans.

Men's & Boys' Wear BOXSCORE

- Discount Store Sales .. $6.6 Billion
- Sales per Store $797,000
- Department Size .... 7,600 Sq. Ft.
- Annual Sales per Sq. Ft. $105
- Annual Turns 4.0
- Initial Markup 41%
- Gross Margin 35%



Knit plaid, button-down oxford and flannel shirts along with jeans continue to be top sellers in boys' wear departments, such as this one at Bradlees, Hingham, Mass. *(DSN photo)*

THE POWER IN JUST GOT

Introducing Stanley's New Workmaster™ Line of Sockets and Wrenches.

Stanley, the number one name in hand tools, has set another standard of excellence. The new Workmaster line of sockets and wrenches. It's one hundred percent Stanley quality, designed and made in America. And it's about to give you a powerful new way to tighten your grip on profits.

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Whether it's the shade tree mechanic or the experienced professional, every one of your customers looks for value. The Workmaster line of sockets and wrenches delivers it. With every size and style drive tool your customers ask for. 1/4", 3/8" and 1/2" drive sockets. And the new patented Flip Drive™ ratchet, pioneered by Stanley for the simplest, most reliable one-handed direction change on the market.

You can get Stanley Workmaster sockets and drive tools in a full range of open stock and in 21 different sets, including sockets only, sockets and drive tools and specialty sets.

Workmaster wrenches put Stanley value right in your customers' hands. Designed for strength and durability, Stanley offers you 52 different wrenches in a full complement of styles, in both inch and metric sizes. All of them – Workmaster sockets and wrenches – priced and packaged to sell.

STANLEY GETS YOUR CUSTOMERS' ATTENTION

Stanley is going all-out to give you powerful support for the Workmaster line: aggressive national TV; supercharged print advertising; traffic building consumer promotions.

Discount Store Census '82/'83

Cost Cuts Are Passed on to Consumers

Electrics sku-cutting occurred at most chains this year, including K mart. The chain dropped its line of controlled brand traffic appliances, La Collection Fleurs. *(DSN photo)*

(Continued from page 103)

The all-out effort to promote basic electrics at the lowest possible price has also led to manufacturers' rebates becoming a fact of life in the department. But, as electrics promotions and rebates have become virtually inseparable, many discounters are raising a hue and cry about the need to find a way out of relying on the rebate crutch to present a price point. So far, the way out doesn't appear to be in sight.

Despite the area's problems, the strategy of staying lean, basic and aggressive has, for the most part, been successful in keeping sales ahead of last year.

The gain in 1982 is projected to be 7.1% with the area reaching $1.5 billion.

Sales per store are seen increasing from $172,000 to $181,000, a 5.2% rise. Sales per square foot will also show some growth, 7.8%, from $191 to $206.

Paring down sku's to the best-selling items is expected to boost annual rate-of-turn from 3.9 to 4.0.

However, the same aggressive price strategy that looks good in the total sales and stock-turn columns hasn't been much of a boon to the bottom line. Even with this year's sharp price offerings from manufacturers, discounters have felt obliged to pass the price savings to customers in this highly competitive, price sensitive category.

The result is that electrics' initial markup and gross margin aren't expected to budge above last year's levels, 23% and 16%, respectively.

One chain that found an innovative way to stimulate electrics business this year was Wal-Mart. Responding to customers who like the price savings of rebates, but not the logistics required with manufacturers' rebate programs, Wal-Mart started its own No-Wait Rebate program at the beginning of the year.

Innovative Technique

During each quarter, the chain selects eight-12 appliances and reduces their prices to correspond with the amount of the manufacturers' rebate offers. These lower, No-Wait Rebate prices remain in effect throughout the quarter. Wal-Mart's management said the program has been very successful.

Additional evidence of the struggle in electrics was found at K mart. The chain dropped its two-year-old line of controlled brand appliances, La Collection Fleurs.

The collection of seven appliances was dropped, according to a spokesman for K mart, "as an inventory management step to cut back on the number of sku's carried in traffic appliances."

The elimination of La Collection Fleurs left K mart with its lower priced controlled brand appliances, K-lectables, an 18-item group using an herb-and-vegetable motif similar to the Corning Glass Spice of Life pattern.

K mart

(Continued from page 39)

meant to boost gross margins, overall and within the next five years obtain a minimum of 25% more gross dollars for each dollar of inventory investment, company executives said.

At the same time, employee productivity should become higher, thereby lowering labor costs, one of the discounter's greatest expenses.

K mart's mixed results last year pointed up the discounter's need to catch its breath and improve operations before undertaking another expansion plunge.

While sales in the fiscal year ended Jan. 27 went up 16.4% to $16.5 billion from $14.2 billion, net income dropped from $260.5 million to $220.3 million.

Gross margins dropped to 25.2% from 26.7% as the cost of merchandise went to 74.8% of sales from 73.3%. Increased promotional efforts to buy sales in the face of the recession also contributed to the sharp gross margin drop.

HAND TOOLS STRONGER.

MAJOR INNOVATIONS IN MERCHANDISING AND PACKAGING

Once customers are in your store, they'll see a merchandising display that's an industry breakthrough, built on a concept developed and patented by Stanley. It features dynamic new packaging that lets customers see, even feel, the quality of each Workmaster product, while it practically eliminates pilferage.

These brand new display units are flexible enough to create any size merchandising center. They set up quickly and give you return-per-square-foot no pegboard wall can match.

The Workmaster line is a new standard of excellence. From the simplest wrench to the Flip Drive™ ratchet to complete innovation in merchandising and packaging, it's designed to help you sell.

Find out more about it. Call your local Stanley representative. Or write: Stanley Tools, Division of The Stanley Works, P. O. Box 3000, New Britain, CT 06050.

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LAWN & GARDEN:

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Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

VOL. 21, NO. 20 | Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman Inc. | $2 a copy | OCTOBER 4, 1982

Making a point and showing his dismay, Rep. Thomas Luken (D-Ohio), right, questions assistant attorney general William Baxter about his controversial philosophy concerning resale price maintenance. *(DSN photos)*

Baxter's Stance on RPM Laws

By KEN RANKIN

WASHINGTON—The Reagan Administration's two top antitrusters shocked and outraged key members of Congress by openly refusing to enforce the Federal law against resale price maintenance.

Justice Department antitrust division chief William Baxter, the star witness at a pair of simultaneous House and Senate RPM hearings last month, attracted the heaviest Congressional fire from Rep. Thomas Luken (D-Ohio), House Antitrust and Restraint of Trade subcommittee chairman.

During more than an hour of tense grilling by various members of that House panel, Baxter repeatedly defended his refusal to prosecute manufacturer resale price fixing as an automatic Federal antitrust

(Continued on page 34)

K mart Experiments With Upgraded Hard Goods Departments

By ARTHUR MARKOWITZ

DETROIT—K mart is taking another stab at remaking the hard lines side of the store.

The industry giant is testing upgraded hard goods departments in a move that parallels the trade up made in apparel during the last two years.

Trade observers have long said it is vital for K mart to upgrade its hard lines if it is going to attract the more affluent customers who are now shopping upscale discounters.

In view of K mart's identification as a hard lines retailer, observers were skeptical that

New Approach

A different arrangement for housewares and for computers being tested in K marts in the Sterling Heights and Rochester suburbs of Detroit. These stores are within a few miles of the discounter's Troy, Mich., headquarters.

Major Changes

The 100,000-sq.-ft. K mart in Rochester spotlights the discounter's major experiment—the development of a full-line, approximately 10,000-sq.-ft. home center that rivals the efforts of such major home center chains as Hechinger's and Rickels in appearance and depth of merchandise.

K mart reportedly used outside consultants experienced in home center merchandising to develop the new look for the department.

K mart executives declined to comment on the various test departments beyond asserting that the experimental sections won't necessarily be the prototype for chainwide use.

The Rochester store also has a revamped housewares area and a combined computer and video game setup.

new domestics set up. It plays up name brands, a color-coded presentation for St. Mary's towels, bath mats and toilet seat covers, and a bath shop. The latter includes hard goods and a K mart-originated, fashion-coordinated offering of towels, shower curtains and bathroom accessories.

But the two most radical moves in the Sterling Heights store are locating a game room with nine arcade games in the TV viewing room area (standard in most K marts) behind the new computer and video game setup, and developing "The Party Shoppe" featuring

(Continued on page 34)

DSN • DSN Digest

Oct. 4, 1982

HARDWARE

• **A special report on lawn and** garden as discounters prepare for strong gardening sales in '83. (p. 15-22)

H&BA

• **The latest product move**ments show skin lotion, moisturizer and cream sales up 9% over last year. (p. 25)

HOUSEWARES

• **The addition of SilverStone**-coated bakeware will boost sales for the last quarter for discounters, buyers report. (p. 29)

CATALOG SHOWROOM NEWS

• **Silent Sam has passed the** test at Service Merchandise. Customers will be punching their orders into computer terminals in 40 of the chain's units by year end. (p. 30)

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SPARC Awards Are Distributed; Fisher, Shewmaker Honored

Herb Fisher, chairman of Jamesway (r.), was inducted into the Discount Hall of Fame by *DSN*'s associate publication director Fred Filer. *(DSN photo)*

Jack Shewmaker, president of Wal-Mart, was named Discounter of the Year at the annual SPARC Awards banquet. *(DSN photo)*

CHICAGO—The fifth annual SPARC Awards ceremonies not only drew record crowds, but saw a host of new first-place award winners.

The annual SPARC (Supplier Performance Awards by Retail Category) presentations were given during the recent Hardware Show here. The ceremonies also included the induction of Herbert Fisher, chairman of Jamesway, into the Discounting Hall of Fame and honored Jack

(Continued on page 33)

SPARC Pictorial Section
Pp. 7-11

The test home center in K mart's Rochester, Mich., unit features clearer category merchandising such as wall covering fixtures. Note the sign with the stylized illustration of the merchandise and the round flats for paint. *(DSN photo)*

HEALTH & BEAUTY AIDS

Skin Care Movement Gains 5%

By CHARLES BOWLUS
vice president, merchandising
Boston Distributors

Sales are rising for skin care products like face creams, acne treatments and bar soaps according to a recent Product Movement Audit.

Movement for the overall category is up 5% for the seven months from Feb. 1-Aug. 22 compared to the 1981 figures.

The lotions, moisturizers and creams segment leads the volume growth with a figure 9% ahead of last year. Oil of Olay continues to lead the field with the top two slots on the chart. Another moisturizer, Noxzema skin cream, has three sku's among the top 15.

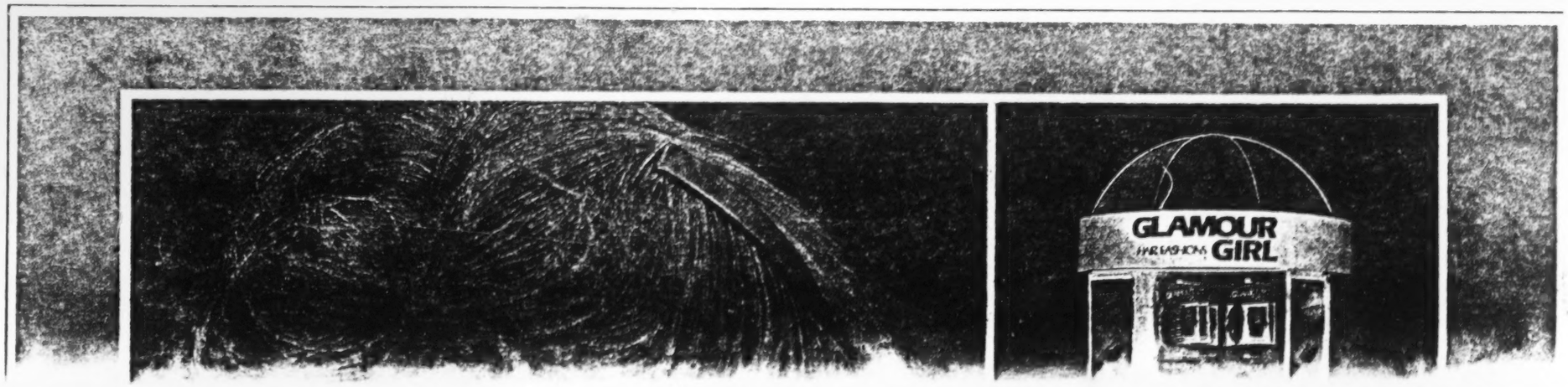
Vaseline Intensive Care Lotion, also holding three slots on the chart, promises to end the year with a wallop since strong promotional programs are planned.

A reintroduction of Wondra lotion and continued strength of Soft Sense lotion, both offering better trade allowances and beefed-up advertising programs, will challenge Vaseline Intensive Care's standing as the No. 1 lotion going into 1983.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	MEDICATED SKIN CARE PRODUCTS			
1	Stridex pads, 75's	15,030	2.55	27,397
2	Oxy 10 Medication, 1 oz	11,202	3.42	27,297
3	Buf-Puf	13,812	2.48	24,439
4	Sea-Breeze antiseptic, 10 oz	10,452	3.00	22,330
5	Clearasil ointment, 1 oz	7,440	3.18	16,893
6	Oxy Wash, 4 oz	6,798	3.08	16,411
7	Phisoderm, 16 oz	4,356	4.90	15,230
8	Clearasil ointment, 0.65 oz	8,910	2.25	14,336
9	Oxy 5 acne medication, 1 oz	6,918	2.62	12,938
10	Clearasil Vanishing Formula, 1 oz	5,742	3.18	12,888
11	Clearasil Vanishing Formula, 0.65 oz	7,926	2.25	12,742
12	Noxzema 12-hour acne medicine	6,972	2.47	12,319
13	Fostex soap	8,688	1.96	12,162
14	Clearasil medicated cleanser, 4 oz	8,778	1.78	11,189
15	Stridex pad, 42's	9,072	1.60	10,381
	LOTIONS, CREAMS, MOISTURIZERS			
1	Oil of Olay, 6 oz	20,328	4.86	76,017
2	Oil of Olay, 4 oz	19,494	4.33	64,944
3	Noxzema skin cream, 14 oz special	24,336	2.54	47,494
4	Noxzema cream jar, 10 oz	20,040	2.31	35,623
5	Night of Olay cream, 2 oz	9,180	4.88	34,475
6	Vaseline Intensive Care lotion, 15 oz	20,706	2.52	40,080
7	Vaseline Intensive Care lotion, 10 oz	37,152	1.75	49,996
8	Wet Ones disposable towels, 70's	23,784	1.56	28,475
9	Soft Sense X-tra moisturizer, 10 oz	19,494	1.88	28,177
10	Soft Sense X-tra protection, 10 oz	16,710	1.88	23,892
11	Noxzema cream jar, 6 oz	18,126	1.65	22,965
12	Keri lotion, 6.5 oz	8,976	3.25	22,465
13	Jergens lotion, 15 oz	10,080	2.89	22,417
14	Aapri apricot facial scrub, 2 oz	10,026	2.80	21,618
15	Vaseline Intensive Care lotion, 6 oz	16,836	1.45	18,724

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	BAR and LIQUID SOAP			
1	Dial bath soap (1 free with 3), 5 oz	139,698	1.53	188,493
2	Ivory personal soap (9¢ off), 4 pck	67,176	0.90	48,210
3	Coast bath soap (15¢ off), 2 pck	57,600	1.01	46,436
4	Ivory bath 3-pack (10¢ off), 5 oz	49,896	0.85	33,911
5	Dial bath soap, 5 oz	81,360	0.51	32,884
6	Zest bath soap (50¢ off), 4 pck	22,590	1.63	29,338
7	Zest bath (1 free with 3), 4 pck	20,334	1.72	27,911
8	Jergens bath soap (prepriced 99¢), 4 pck	36,000	0.97	27,801
9	Shield deodorant soap, 5 oz	48,192	0.53	20,404
10	Safeguard bath (20¢ off), 2 pck	26,784	0.91	19,425
11	Dove bath soap, white (4¢ off), 4.75 oz	32,784	0.68	17,699
12	Jergens bath soap (prepriced 29¢), 4.75 oz	75,700	0.29	17,189
13	Zest bath soap	36,288	0.59	17,034
14	Showermate, brown, 12 oz	9,084	1.98	14,419
15	Showermate, gold, 12 oz	9,024	1.98	14,367
	BLADES and RAZORS			
1	Atra cartridges, 10's	50,328	4.11	159,051
2	Gillette Trac II cartridges, 9's	33,048	3.65	92,750
3	Good News razor, 6 pack	67,188	1.76	91,102
4	Atra cartridges, 5's	73,584	1.97	111,473
5	Good News disposable razor, 3 pack	96,552	0.90	66,900
6	Bic Shavers, 5 pack	115,884	0.92	82,412
7	Atra cartridges, 15's	21,948	4.16	70,200
8	Gillette Trac II cartridges, 14's	11,208	4.60	39,617
9	Gillette super stainless dble edge 10's	17,376	2.95	39,483
10	Schick Plus platinum injection 15's	10,368	4.05	32,254
11	Personal Touch refill cartridges, 4's	19,128	1.93	28,486
12	Schick II Ultrex cartridges, 5's	17,328	2.04	27,208
13	Gillette Trac II cartridges, 5's	31,332	1.81	43,603
14	Schick Plus platinum injection, 7's	14,904	2.31	26,444
15	Schick II twin cartridges, 9's	10,128	3.12	24,268

Source: Boston Distributors, Maple Heights, Ohio. Feb. 1-Aug. 22, 1982.



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Discount Store News®

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Basic Format Returns In Jefferson/Ward's New Test Prototype

By ARTHUR MARKOWITZ

MIAMI—Jefferson/Ward has returned to the basic merchandising approach of the 1960's, but with a futuristic flavor.

The discounter has turned its 160,000-sq.-ft. North Miami Beach Boulevard store into a test prototype which was awaiting the judgment at presstime of executives from parent Montgomery Ward.

Sources indicate all Jefferson/Ward stores will be on a name-brand-mix program in hard and soft goods by the first quarter of 1983.

Three key elements in the thinking of Jefferson/Ward's executive team that were put into place during the last 18 months are evident in the store—along with the implications for their efforts to turn around the chain. These are:

- A very basic—but strikingly futuristic—approach to the store's merchandise presentation and ambience. It uses a race track format, rather than the wandering aisles and cul-de-sacs featured in previous refurbishings executed by the chain's former executive team.

The 16-ft.-wide race track forms an infield that is trisected by two 8-ft.-wide front-to-back aisles into three islands—ladies' and children's apparel on the right, men's and boys' wear in the center, and on the left, from front to back, stationery, housewares and electrics and sporting goods.

The other departments are along the store's perimeter and are coordinated with the infield: jewelry, accessories and shoes are on the right side facing ladies' apparel; domestics, home furnishings, major appliances and toys are along the back wall opposite the two apparel sections and sporting goods; lawn and garden, hardware, auto and records and tapes are on the left wall across from the hard goods portion of the infield.

Four-ft. square flats and tables for featured and promotional goods are spotted along the raceway.

Hard goods are shown on straight gondola runs that are perpendicular to the race track and interior infield aisles. Hard lines are highlighted only by endcaps, rather than through special displays.

(Continued on page 93)

Digest
Oct. 18, 1982
Discount Store News
ACTION SPEAKS PROUDER
The First 20 Years: A Special Report
SANTA CLAUS SCORES AS DISCOUNTERS' BIG DADDY

To celebrate its 20th anniversary, *DSN* takes a look at the first two decades of discounting. Special section begins on page 17.

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Woolco

Discount Execs Line Up For Future Ex-Woolcos

NEW YORK—Discount chain executives are scrambling for the soon-to-be ex-Woolco sites.

After the F. W. Woolworth Co. abruptly announced last month the planned closing of its 336 U.S. Woolco discount stores, Wal-Mart, Zayre, Target, Venture and Zodys, among others, began lining up for the sites.

Woolworth's decision to pull the plug on its struggling 20-year-old, $2 billion division took the industry by surprise. Until days before the announcement, corporate management was giving the go-ahead to Woolco's restructuring plans which called for a smaller, trading area (stores in more than a half dozen markets were closed), a new prototype store to be developed and a new top management brought in.

The closing of Woolco, scheduled to begin in January, is believed to be the biggest-ever unforced closure of a chain in retail history. Predecessors like W. T.

(Continued on page 94)

Edward Gibbons
Chairman, ceo, Woolworth

Bruce Allbright
Chairman, ceo, U.S. Woolworth/Woolco

Saving Woolco Seen Too Long, Too Costly

By BETTY J. TAYLOR

"After I was making a lot of money as a merchant I wanted to build something bigger than any other merchant. . . ."—Frank W. Woolworth.

NEW YORK—Frank Winfield Woolworth, founder of the 103-year-old F. W. Woolworth Co., combined tradition with innovation and in 1912 constructed a cathedral skyscraper Woolworth Building.

DSN News Analysis

His sentiments might well have been descriptive of his profitable variety store company's decision 50 years later to launch Woolco, a discount store division.

The Woolworth Co. wanted to cash in on the new, emerging, discount retail scene by taking its traditional variety store approach a step further, and spread it nationwide.

It never worked.

Last month Woolworth concluded that its sprawling 20-year-old offspring Woolco was creating such craters in the company's profit structure that it could collapse the tower.

Unlike its stodgy but profitable five-and-dime division, Woolco wasn't making a dime.

The most recent evidence was a $19 million loss the division reported for 1981, and a $21 million loss it racked up for the first half of 1982—although Woolworth officials had long admitted the discounter had never turned a profit. Without Woolco, Woolworth maintains it could be more profitable.

In the same statement announcing Woolco's demise, the company said it could have shown a net income of $147 million the last fiscal year, opposed to the $82 million it earned. Woolworth estimated its $25 million loss for the first six months of 1982 could have been trimmed to $5 million—minus Woolco.

With hindsight, it looks as if Woolworth began setting the stage for the closing of Woolco as early as a year ago.

"Woolco's performance has suffered from excesses—too many stores, many with too much selling space, scattered over too many market areas and, of major importance, too many high-gross-margin departments licensed to others,"

(Continued on page 94)

NMRI/AGMC to Merge? Talks Near Completion

NEW YORK—Merger talks between the National Mass Retailing Institute and the Association of General Merchandise Chains are nearing completion.

It is expected an interim report on whether to merge or not may come as early as Nov. 2, and the final decision will be made by year's end, according to sources from both trade associations.

The final vote on the merger is expected to come from an impartial third party, which at presstime was likely to consist of a major retail accounting firm familiar with the two groups.

The proposal to merge the two associations was put together over the last year by a committee consisting of three key officials from each association and the two association presidents, Richard I. Hersh of the NMRI and Edward Borda of the AGMC.

Although talk of merging the two associations has surfaced in past years, this is the first official proposal that has been prepared and a timetable set up for a final decision.

There have already been two rounds of talks completed on the matter and now the committee is pressing to make a final decision "one way or the other," by year's end.

The committee members on the NMRI side consist of: Irwin Chase, Ann & Hope; Marshall Hess, Fishers Big Wheel; Robert

(Continued on page 93)

Discount Store News

VOLUME 1, NUMBER 1 Published Mondays bi-weekly by Lebhar-Friedman Publications, Inc., publishers of CHAIN STORE AGE. JANUARY 1, 1962

ALFRED C. THOMPSON, executive Vice President, Miller & Rhoades, Richmond, Va., and President of NRMA took umbrage, counter - attacked, called discounters "illegitimate offspring" when. . . .

ACTION SPEAKS PROUDER

By JAMES J. CASSIDY

New Year's resolution for discounters: Leave fishwifing to fishwives.

The discounter seeking dignity for his cause need not lash out with verbal attacks on tradition.

The consumer is already casting four billion votes of approval for a way of doing business that is scarcely a generation old. Women don't buy forensics, they buy performance.

Vilification of competition brings not an inch of stature to the discounter, nor does it convert a single reluctant supplier, nor ring a dollar in a register. It does little more than feed an always famished press.

Nor does the publicity favor the fellow discounter who is about to face the conservatism of the analysts and the underwriters without whose approval an industry connot propagate itself.

Nor in thrashing back like an old one dying does the department store show much of the noblesse that braved the threat of chains, catalogues and shopping center

Recent offense at the words of Ster Masters by Alfred Thompson turne November discount seminar of NR a survival fight between the disc the department store.

The fight is rather the stro versus the weak one. Words fight and action always sp

EN MASTERS, Masters, Inc., department stores, their traditional ices "sneaky and unmocratic," at NRMA's Discount Seminar in November in New York.

SALON LOOK in shoe departments at new Tren ntington, N. Y., units typifies department store accent in Korve ade drive.

Korvette Pushes Pace In Discounting's Year

TRENTON, N. J.—That was low e wept The twins are almost iden- no specialty shoppe, m'am, that nidden tical with each other and a car- was a new Korvette. ue-hard- bon—in their main store area

And as the $180 million 15- —of the posh Audubon, N. J. store chain keeps opening units unit opened last August just like the 190,000 sq. ft. twin outside Philadelphia. here and in Huntington. N

it becomes more and more In all three, twin escalators ficult to recognize its lead to a second floor of hard- 46th Street discou goods, toys, giftware, dinner- ancestry. ware, records, and a glassed-in

Korvette wants hi-fi components room. "discount stigm

as a "promoti In all three, as in the New store chain," Brunswick, N. J., unit vestibule a huge segr signing will warn the customer industry that grocery carts are not wel-

Upgr come in the main store. ens of pen- On the main soft goods floors ing rack, of the new Korvettes one finds shoe salons that rival I. Miller. Wall displays are glassed-in and brass canopied. Floors are carpeted. Walls are gold papered.

Sweaters go back to the hot lighted, glass cases of the ancient department store. Apparel departments are carpeted, mannequins abound, wearing up-to-

(*Continued on page* 8)

Spread te Upgrade

SEE PAGE 30

o days apart — with anksgiving Day deadlines— orvette opened here on Olden Avenue, three minutes off Route One, and on much trafficked Route 110 six miles south of Huntington, Long Island.

The First 20 Years: A Special Report

Discounters Top Billion Sales With 1500 Stores

NEW YORK—In 1961 the discount industry:

- **Did $4.25 billion—up more than 50 per cent over 1960's $2.75 billion**
- **Was operating 1500 stores —up 36 per cent over 1960's 1116 stores**
- **Spent $335 million for new store construction.**

These figures are among many brought to light by a just finished DSN survey.

DSN divided survey results into two primary categories:

1. *Chain* discount stores of more than 30,000 square feet.
   (a) a sub-category of chain discount stores of any size.
2. *Singly*-owned discount stores of any size.

Taken all together, there are, at year's end 1961, slightly less than 1500 discount stores—up some 36 per cent over 1960's 1116 stores.

The Big Boys

Of the 1500-store total, something approaching half are part of chain discount operations; the other 750 or so are the singly-owned units referred to in category 2 above.

In the "chain-owned, over 30,000 square feet" category, the average store reporting is approximately 85,000 square feet. Owners of these chains indicate that the average store they will build in 1962 will be 90,000 square feet — about eight per cent larger.

Total square footage for all 1500 stores is about 75 million square feet. Fully two-thirds of this belongs to the 750 (one-half the total) chain discount stores.

The remaining one-third—25 million square feet—is divided rather erratically among the 750 singly-owned stores. These stores range in size from 4,000 to 183,000 feet.

The chain discount stores averaged, with great variance, approximately $58 sales per square foot, giving these 750

(*Continued on page* 44)

The Wages Of Discounting

CHICAGO—The wages of Lawrence Goodman, president of Community Discount Department Stores, will hit $50,000 in 1965.

A package which merged Community with Mages Sporting Goods Co., here, makes Community the surviving corporation, makes Mr. Goodman chief executive, and delivers him a seven-year contract starting at $3?,000 with three annual $5,000 raises.

NEED WARDS," OR TELLS WALL ST.

SEE PAGE 46

SANTA CLAUS SCORES AS DISCOUNTERS' BIG DADDY

SEE PAGE 3

1962: K mart, Target and Woolco Are Created

Larry Goodman, chairman (center), cut the ribbon on Community Discount Centers' 16th unit in Villa Park, Ill., a 100,000-sq.-ft. store. Its 4,000-sq.-ft. sporting goods department was the result of the chain's merger with Mages Sporting Goods.

1962 Highlights

Industry volume: $6 billion.

- Korvettes' sales of $235 million in its fiscal 1962 lead the industry.
- Diana Stores buys Great Eastern Mills and Tex-Mart Industries; plans major expansion of Great Eastern and Gulf-Mart chains.
- Discount Operators' National Show forecast for 1972: 500 stores averaging 200,000 sq. ft. will rule the industry, operating at 25% margin.
- Gemco moves into northern California with 100,000-sq.-ft. store in Cupertino.
- Two-unit Nichols plans to go public, open five to 10 more stores.
- Closed-door FedMart tests open-door policy in three stores.
- Meijer Super Markets launches three Meijer's Thrifty Acres discount stores.
- White Front beefs up soft goods.

Three industry giants—K mart, Target and Woolco—were born in 1962.

But, the discounters that were already in existence two decades ago already formed a strapping industry.

DSN's first issue noted that the industry had undergone phenomenal growth in 1961 and more than doubled sales to $4.25 billion while showing a 36% jump in the number of stores to just under 1,500.

The industry growth made the need for a trade association self-evident.

A fledging attempt was made in early 1962 to form such a group, called the Association of Discount Merchants, to present the industry's views on such problems as fair trade and Sunday Blue Laws and to rebut criticisms from the National Retail Merchants Association (NRMA), the conventional department store group.

The effort, however, floundered despite attempts to attract top executives from the leading chains. Organizational and reorganization meetings were called, with almost no one showing up, and the ADM quietly folded.

Problems Seen

The problems, however, didn't fade away.

Discounters battled manufacturers to discount name brands despite fair trade laws. A national fair trade measure the Madden Quality Stabilization Bill—was introduced in Congress—and discounters testified against the legislation.

State legislators adapted various versions of the bill.

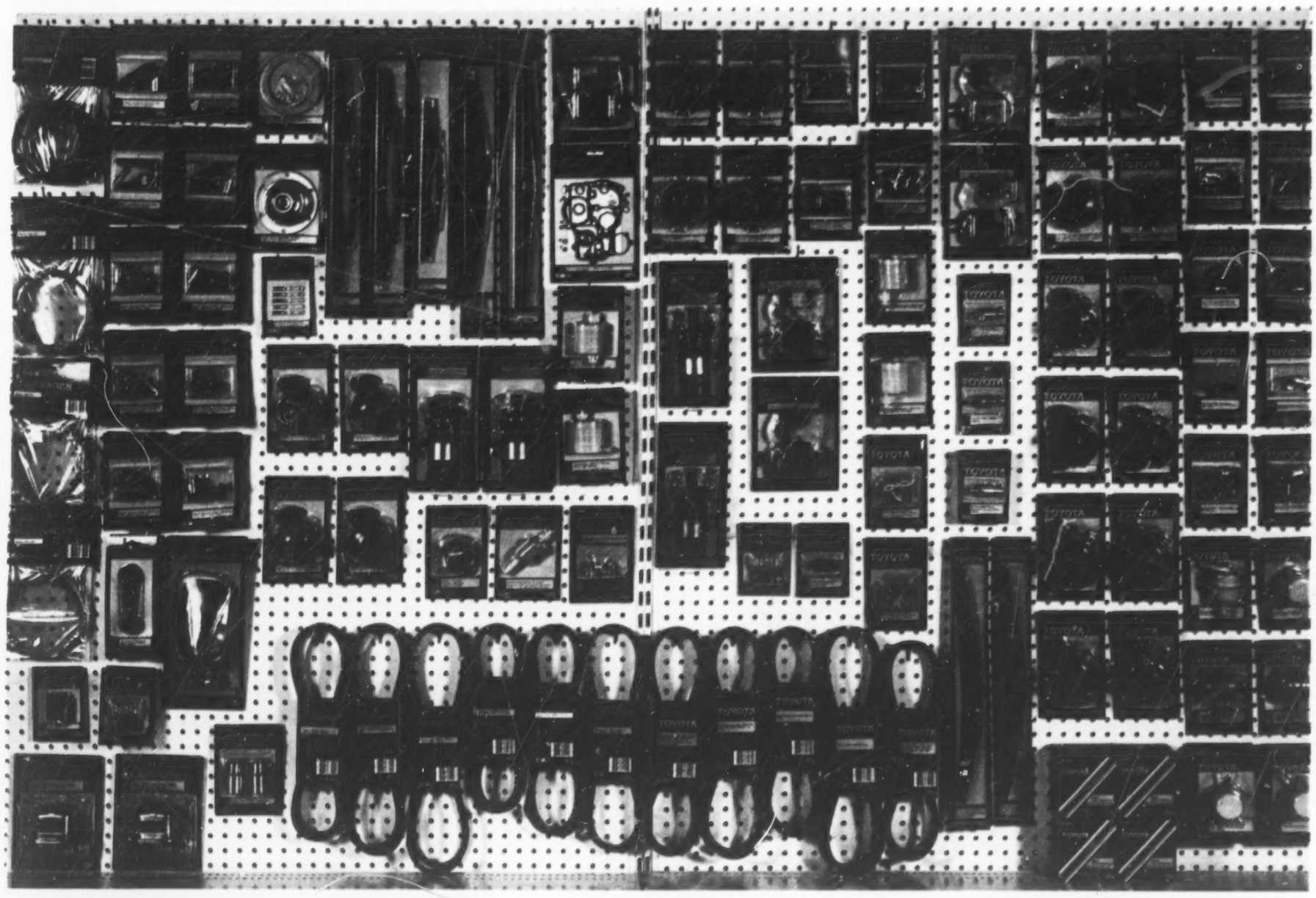
But, discounters' fight against fair trade received support from various sources. The Federal Trade Commission and National Better Business Bureau aided discounters by opposing the use of fictitious list prices and the use of unrealistic list prices in ads. A small but growing number of manufacturers stopped using suggested list prices and even began selling direct to discounters during the course of the year.

While the outlook for the eventual end of fair trade was promising, the Sunday Blue

(Continued on page 26)

Top Five: 1962

Chain Rank	$ Volume (millions)	Store Count
1. Korvettes	235.4	21
2. Interstate	220.8	44
3. GEM	164.3	30
4. Spartans	116.0	39
5. Two Guys	115.1	20



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DORCY

1963: Blue Laws, Price Control in the Spotlight

STILL GROWING AT TWENTY 20 Discount Store News

1963 Highlights

Industry volume: $7.5 billion.

Stores: 2,169.

- Industry volume leader is Korvettes with $330.4 million (30 stores).
- Industry store leader is Zayre with 61 units ($48.3 million in sales).
- Gamble-Skogmo predicts it will have 100 discount stores by 1965.
- Plastic bonnet hair dryers and electric carving knives are the hot merchandise picks for Christmas.
- Discounters charm Wall Street for one whole week in August with the biggest gain of any industry group on the Big Board.
- Rajjee, a 3,000-lb. dancing elephant, waltzes through a Detroit Arlans destroying nearly $50,000 worth of goods and fixtures—and the plate glass window through which she entered the store. (She was a runaway from a nearby carnival.)

Movie star Jayne Mansfield and her husband Mickey Hargitay were spotted taking a closer look at the goods at a CMA unit in Miami. *(DSN photo)*

Sunday Blue Laws, fair trade legislation and the "Red Menace" were making headlines in 1963.

Discounters were a beleaguered group in the early 60's.

At home they were squaring off against church and religious leaders for the right to remain open for business on the day of rest.

In Washington they were doing battle with a Congress that thought prices should be set by the Federal Government and not by local market consumer acceptance. Congress was looking for price control under the ominous heading of "QSB"—the Quality Stabilization Bill.

There were smaller, local battles being won, however.

In midsummer, Gillette dropped an injunction against White Cross Discount Centers in Pittsburgh for fair trade violations. The manufacturer also announced its plan to give up its fair trade policy in Illinois, Wisconsin and California, as well as in Pennsylvania where its efforts were proving ineffective.

Further Developments

In Ohio, discounters and other retailers were being forced by various city councils to take out a license, tagged at $150, if they wanted to sell goods made in Communist-bloc nations. However, in Cleveland, the city fathers voted to accede to President Kennedy's request that local government not pass such legislation.

In Columbus, retailers not only had to put up the license money, they also had to post a sign advising customers: "We sell Communist-made goods."

In 1963, discounting was primarily an urban phenomenon.

Forty-eight per cent of the industry's 2,169 stores were clustered in the country's top 50 metro markets, with Chicago leading the pack with 132 units, and Los Angeles coming in second with 92.

There were no national chains, but behind the industry leaders—J. M. Fields, Zayre, Shopper's Fair and Spartans—were a tier of little giants that were having a strong year and expanding accordingly:

(Continued on page 85)

Top Five: 1963

Chain Rank	$ Volume (millions)	Store Count
1. Korvettes	330.4	30
2. Interstate	204.2	51
3. Gamble-Skogmo	163.2	32
4. GEM	144.0	34
5. S. Klein	140.3	8

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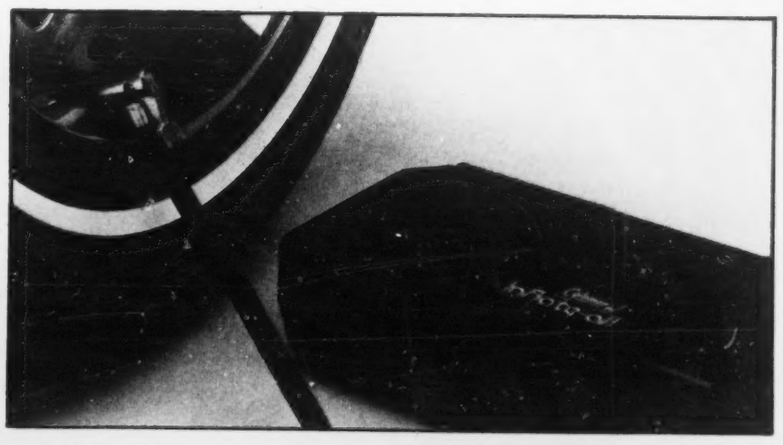

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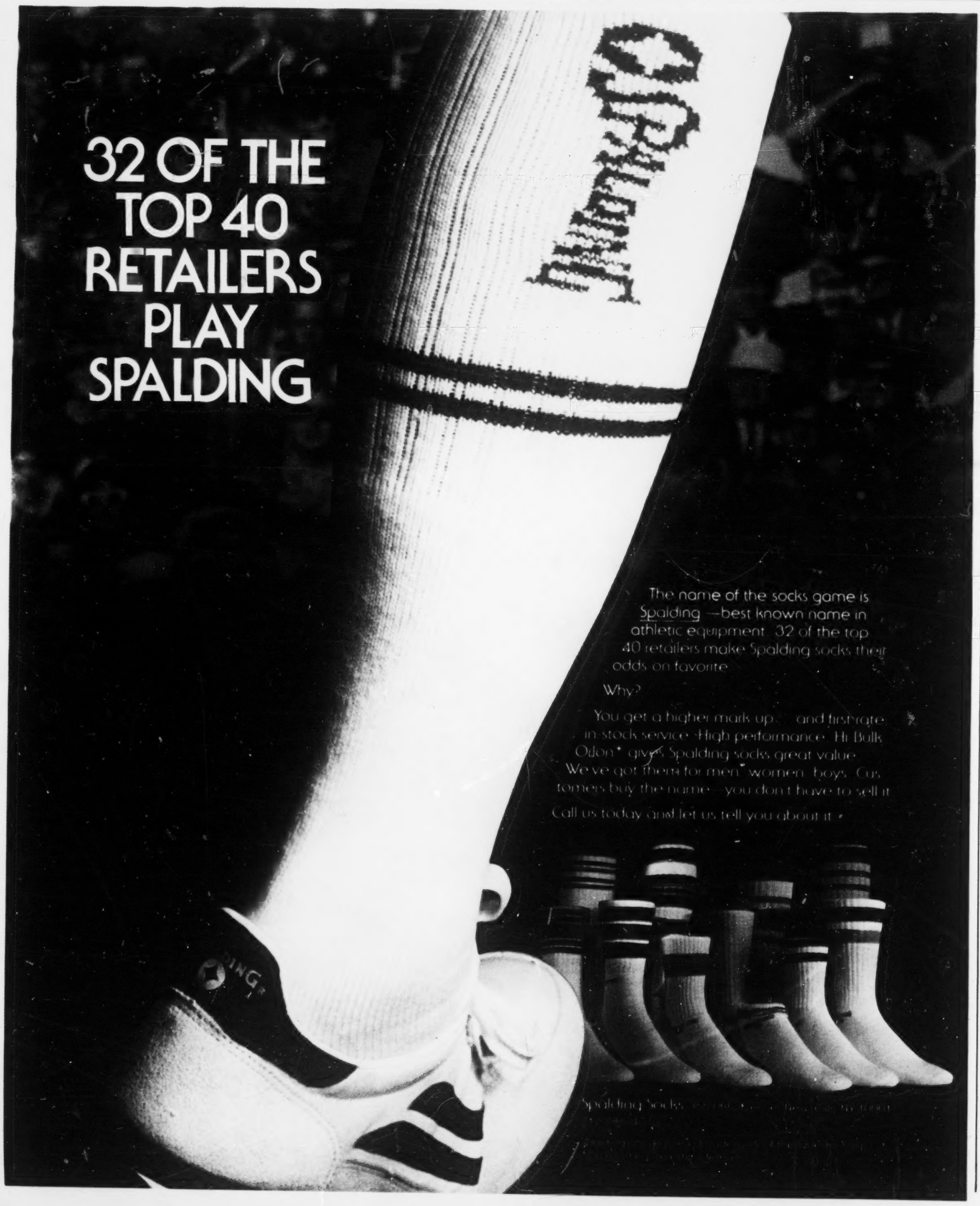
STILL GROWING AT TWENTY 20 Discount Store News

Discounters' Stock Issues Offered in 1962

Discounter	Date	Offering No. Shares (thousands)	Price	Recent Price Bid	Latest Capitalization Debt	Com. Stock (thousands)	Fiscal Year Ended	Earnings Latest Year	Per Share Preceding Year	Price-Earnings Ratio Based on: Offering Price	Latest Price
Amer. Auto Stores	11/29/61	60	5	8		460	June	$0.23	$0.04	22	35
Amer. Variety Stores	11/24/61	100	4½	2⅞	$ 74	240	June	0.13	0.11	35	22
Arlans Dept. Stores	9/26/61 5/10/62	300 250	18 30	27	3,634	1,000	Jan.	1.65	0.99	11 18	16
Bargain Town USA	10/4/61	300	6	9	972	1,233	Jan.	0.70	0.64	9	13
Berkshire Distributors	1/9/62	100	5½	6½		180	June	0.38	0.27	14	17
Besco Enterprises	4/5/62	185	6	3¾	1,553	395	July	0.15	0.25	40	25
Caldor	10/12/61	120	5	10	520	520	Jan.	0.40	0.38	13	25
District Photo	3/27/62	100	5	3½	67	260	June	1.60	1.20	28	19
Family Circle Associates	1/16/62	50	8	8½		200	Sept.	0.11	0.07	72	77
Floyd Bennett	1/11/62	100	6¾	11¾	2,424	550	Dec.	0.28	0.03	24	42
Giant Tiger Stores	5/17/62	150	10	8¼	809	825	Dec.	0.64	0.47	16	13
Honig's-Parkway	4/4/62	100	3	2¼		305	Sept.	0.18	0.08	17	13
John's Bargain Stores	4/25/62	160	8	10⅝	210	1,375	Dec.	0.40	0.22	20	27
King's Dept. Stores	8/30/62	500	13	20	70	1,011	Jan.	1.25	0.63	10	16
Linco International	12/27/62	75	4	5⅝		250	Jan.	0.10#	0.01[d]	40	56
Malone & Hyde	11/30/62	275	15	17¾	880	709	June	0.99	0.89	15	17
Marrud	6/2/62	@ 390	@ 10¼	13½		1,002	July	@ 0.42	@ 0.35	24	32
Maxam	3/1/62	200	20½	13½		500	Jan.	0.87	0.68	24	16
Medco	10/12/61	139	9	10		769	Dec.	0.40	0.18	22	25
Recco	3/28/62	74	13½	7½	92	228	July	0.31	N.A.	44	24
Regal-Meadows	6/17/62	150	8	5¾		651	Dec.	0.54	0.25	15	11
Rockower	6/29/61 3/14/62	@ 280 150	@ 8 16¾	13	157	730	Dec.	@ 0.60	@ 0.35	13 27	22
Silo Discount Stores	2/1/62	165	7	4¾		559	Oct.	0.39	0.15	18	12
Unishops	4/18/62	275	14	12⅞		1,050	Dec.	0.67	0.42	21	19
Virginia Dare	1/31/62	154	22	13⅝	30	1,481	July	0.99	0.84	22	14
Volume Distributors	3/15/62	90	11	7½	56	391	July	0.54	0.39	20	14

Earnings adjusted, where data available, to amount of stock presently outstanding. "Latest year" earnings cover fiscal years ended during 1961 or January 1962. All price-earnings ratios computed from latest year's earnings. @—Adjusted for stock splits. #—For 8 months ended September 1961. &—For 10 months ended Dec. (fiscal year changed). N.A.—Not available. d—Deficit. Source: DSN research.


32 OF THE TOP 40 RETAILERS PLAY SPALDING
The name of the socks game is Spalding —best known name in athletic equipment. 32 of the top 40 retailers make Spalding socks their odds on favorite.
Why?
You get a higher mark up... and first-rate in-stock service. High performance Hi Bulk Odon* gives Spalding socks great value. We've got them for men, women, boys. Customers buy the name—you don't have to sell it.
Call us today and let us tell you about it.

1962

(Continued from page 19)

Law situation was different.

Local police swooped down on discounters open on Sunday in different states throughout the year, with their efforts particularly heavy during holiday periods such as Christmas. Discounters paid the fines and vowed to fight to change the law.

The NRMA started out the year with its president calling discounters "sinners" and pledging that he "would never again mention the words discount and discounters in public."

The industry's impact on retailing, however, resulted in the NRMA quickly changing its attitude. The association began sponsoring a series of seminars on discounting to enable department stores to launch their own discount store and to better compete with discounters.

By the middle of the year, the confrontation between discounters and conventional department stores had almost turned into a love fete as the similarities, differences and problems common to both types of retailing were realistically examined.

First Opening

As for the three discount giants that debuted in 1962, K mart was the first out of the gate. The discounter opened a 60,500-sq.-ft. store in the Garden City suburb of Detroit in March. At the opening, executives noted that K mart had made commitments to open 37 stores in 1962 and 1963.

The fast-track growth that had been K mart's hallmark during the 1960's and 1970's was evident right at the start. At the company's annual meeting two months later in May, president Harry B. Cunningham said the number of K marts to be opened in 1962 "cannot be exactly determined, but there are 18 more openings presently scheduled for 1962, and 29 are on the 1963 program."

Target was next out of the gate with an opening in May of an 82,500-sq.-ft. store in the Roseville suburb of St. Paul, Minn.

Woolco was the last out of the gate, unveiling a 100,000-sq.-ft. unit in June in Columbus.

STILL GROWING AT TWENTY 20 Discount Store News

1964: 60,000-100,000-Sq.-Ft. Stores Sprout

1964 Highlights

- Arlans, Interstate, Korvettes and Zayre are all running at a record pace as the top 20 chains open 116 new stores.
- The 160,000-180,000-sq.-ft. Korvette is a typical prototype of the day.
- Frederick Zissu takes the chairmanship at Two Guys after co-founder Herbert Hubschman dies.
- K mart sees 35 new stores per year and a total of 250 by 1969.

Arlans moved into the small-town market by opening in Lancaster, Pa., Charleston, W. Va., and Freeport, Ill. Vice president Warren Eisenberg (c.) was at bow of latter, at 58,400 sq. ft. the smallest of the trio. *(DSN photo)*

It was a year at the dawn of a retail explosion.

In 1964, discounters started building the big stores (60,000 sq. ft. to 120,000 sq. ft.) which accounted for some 45% of the industry's total selling space, up from 39.8% in the prior year.

Figures on total volume for the industry were just beginning to be compiled, but the burgeoning big boys were racking up sales of $50 a square foot in 100,000-sq.-ft. stores.

Young K mart headed the list of discounters, with some 87 stores by year's end and sales projected at close to $340 million, just nosing out second-place Korvette with 51 stores and $330 million.

K mart's chief Harry Cunningham told reporters that year that an expansion plan of 35 stores a year was in the works, and predicted some 250 K marts would hit the country by 1969.

Upscaling was the topic of conversation during the year, but then it was called upgrading. The fear among the top 10 chains about this was that the more elaborate displays would rob stores of their traditional "open" look and contribute to increased shoplifting.

New Approach

Along with fixture upgrading, merchandise was also being improved and chains like Caldor were at the forefront of early upscaling.

Caldor opened two stores during the year, with president Carl Bennett proclaiming that discounters indeed can trade up in price, appearance and service.

It was also a year that found discounters asking the question: "Can you put a nice suit in the same shopping cart with a head of lettuce?"

This was the question to be answered by Giant Food in April of the year when it opened a remodeled 240,000-sq.-ft. unit in Rockville, Md., that carried a full-line supermarket and discount store. The food chain dubbed the unit Super Giant.

Other industry leaders were wondering about food and nonfood departments. The president of Zayre, Stanley Feldberg, said that "food is extremely important to the shopping complex, but I don't know if it should be under the same roof or in a separate store as an anchor at one end of a strip center. Food under the same roof hasn't proved out as expected for us."

In 1964, Dun & Bradstreet assistant vice president William Duvel proclaimed: "The worst is over for discount failures."

Of course his crystal ball didn't see into the late 1970's and early 1980's, but Duvel was smart enough to say simply that "discounting is still the most retail line." During the year Dun & Bradstreet recorded 34 discount operation failures.

The definition of a discounter was still very much on the minds of industry leaders. At an ICSC convention in Chicago, Andrew Murphy of Allied

(Continued on page 30)

Top Five: 1964

Chain Rank	$ Volume (millions)	Store Count
1. K mart	340	87
2. Korvettes	330	61
3. Interstate	311	51
4. Vornado	154	21
5. Zayre	122	61

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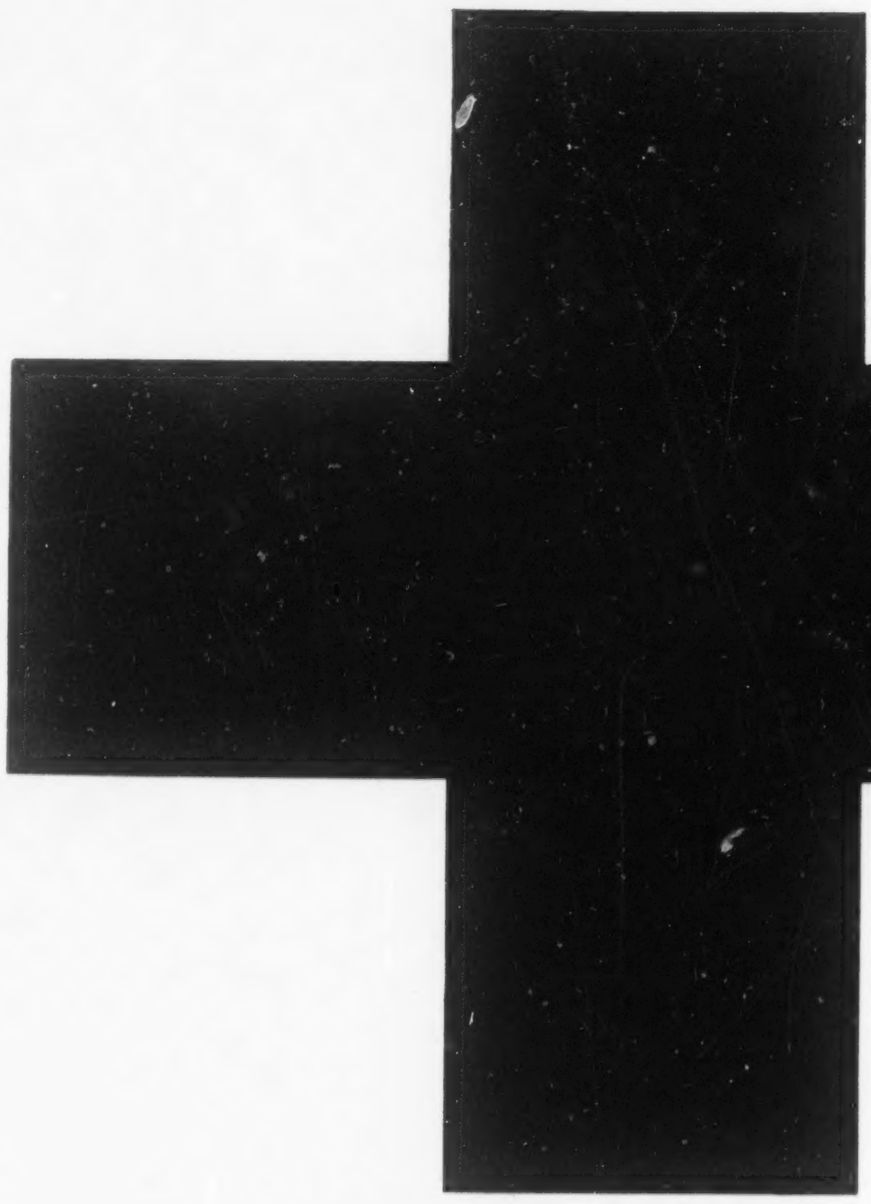

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1965: More Shopping Center Developers Soften

A 1965 WNYC radio panel on discounting included (l. to r.) moderator Lee Graham; *DSN* editor Richard D. Groberg; S. Klein's Phillip Harris; WWD's Samuel Gottesfeld; consultant Dr. William Reilly and Korvettes' Jack Schwadron. *(DSN photo)*

1965 Highlights

- Woolworth plans 29 Worth Marts as the company converts small Woolworth variety stores into discount stores.
- Borman Foods buys the Yankee chain in Michigan.
- Gibson opens 17 stores, eyes 41 more for year; plans blitz in Dallas in 1966.
- Korvettes to take over ex-Sachs store in Herald Square, across from Macy's and Gimbels.
- K mart opens 100th store, ends year with 122.
- Lester Burcham, new Woolworth president, expects to open Woolcos larger than 180,000 sq. ft. in size, along with scaled-down units.
- Lessee Unishops buys Clarkins.
- Spartans plans to buy Atlantic.
- Closed-door operators GEM and Parkview combine.
- Dallas market subject to major discounter invasion; six stores open to raise count to 15, with as many as 15 more projected for area in 1966.

The discount industry's growth during the past few years resulted in developers during 1965 trotting out the welcome mat for chains in their shopping centers.

Discounters, in turn, were stepping up their efforts to get into shopping centers to benefit from the greater traffic draw of such locations.

Department stores, which have opposed discounters as cotenants, have been changing their attitude, developers reported, because of the upgraded image of such chains as Korvettes and Two Guys.

Going into shopping centers wasn't the only expansion route favored by discounters.

Chain executives tended to build stores on their own as opposed to acquiring units, but this didn't eliminate a takeover "if the location was right," they noted.

The reason for building was summed up by one executive: "A good store that's offered for sale is very expensive. A bad store presents you with the problem of whether you are that much better than the seller and can make it successful."

Discounters' real estate acceptance hasn't rubbed off in the merchandising area.

Efforts to firm up fair trade continued to grow during the year. A number of retail trade associations were pushing efforts at the state level to pass fair trade measures, using a bill adapted in Ohio as the model law.

The Ohio law itself ran into some problems, with a local court in Cleveland declaring the measure constitutional, while a court in Columbus declaring it unconstitutional. Trials in Cleveland under the "constitutional" law, however, didn't please fair trade supporters as drug manufacturers weren't able to stop discounting of their lines.

Attempts to get Congress to adapt a national fair trade bill were made early in the year by 16 Senators, only to die in the summer. Supporters of such a measure vowed to try again in 1966.

The year, as a whole, turned out to be a strong one for discounters, with most chains

(Continued on page 30)

Top Five: 1965

Chain Rank	$ Volume (millions)	Store Count
1. K mart	683	122
2. Gamble-Skogmo	501	74
3. Korvettes	485	39
4. Interstate	331	58
5. Gibson	300	209

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PLUS National consumer print advertising

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STILL GROWING AT TWENTY 20 Discount Store News

Automotive Trends

	1965*	1970	1975	1976	1977	1978	1979	1980	1981	1982	5-year % Change '82 vs. '78	% Change '82 vs. '81
Dept. Size (sq. ft.)	2,000	1,600	2,445	2,225	2,225	2,300	2,280	2,280	2,280	2,280	– 0.9	N.C.
Annual Turns	4.6	3.7	4.4	4.6	4.5	4.6	4.7	4.5	4.2	3.5	–23.9	–16.7
$ Volume per sq. ft.	83.00	N.A.	110.00	166.73	186.69	195.34	211.27	215.00	225.00	238.00	+21.8	+ 5.8
Initial Markup (%)	N.A.	35	36	37	35	34	33	33	32	34	N.C.	+ 6.3
Gross Margin (%)	29	32	29	30	30	29	28	27	27	27	– 6.8	N.C.
Discount $ Volume (billions)	N.A.	N.A.	N.A.	N.A.	N.A.	3.1	3.5	3.7	4.2	4.5	+45.2	+ 7.1
$ Sales per Store (thousands)	N.A.	N.A.	N.A.	N.A.	N.A.	449.0	481.6	491.00	514.00	543.00	+20.9	+ 5.6

*N.A.—Not available. N.C.—No change. *—Earliest year for which figures were available. Source: DSN research.*

1965

(Continued from page 29)

adding more stores as their sales and earnings grew—and their stock prices went up. A *DSN* survey found that the 16 leading chains opened 186 stores during the year, compared to the previous year when 18 top discounters added only 116 units.

Discounters' importance in housewares and toys was evident from surveys.

A National Housewares Manufacturers Association survey reported that manufacturers ranked discounters as the second-largest retailer of housewares, trailing department stores. Discounters, however, have increased their market share, while department stores haven't.

A toy survey showed that discounters were almost tied with department stores as the major retailer of toys.

Carl Bennett (center), founder of Caldor, kept close watch on his young company, as he did here from the front of his Wappingers Falls, N.Y., store. *(DSN photo)*

MOTORCRAFT INTRODUCES THE KIND OF PART NUMBERS EVERYONE UNDERSTANDS.

The part numbers we're talking about are consumer refunds — a total of $19.50 from September through January. In fact, we've doubled previous refunds on spark plugs and batteries.

Until November 30, there's up to $7.50 back on plugs, filters, and oil: the Motorcraft products retail customers use most in the Fall. Plus a $1.00 refund for buying two or more of these Motorcraft products at the same time. And a coupon worth another $1.00 toward the customer's next Motorcraft purchase. That's a total of $9.50. Then, November through January, there's a $10 refund on batteries.

That's a total of $19.50 in consumer refunds from now through January, to get do-it-yourselfers into your store, and to keep them coming back.

There's also extensive national advertising, as well as attractive point-of-purchase. For complete information, contact your Motorcraft supplier. Or call 1-800-521-4114. (1-800-482-4102 in Michigan.)

This Fall, stock the part numbers your customers understand. From Motorcraft.

Motorcraft

...FOR SURE

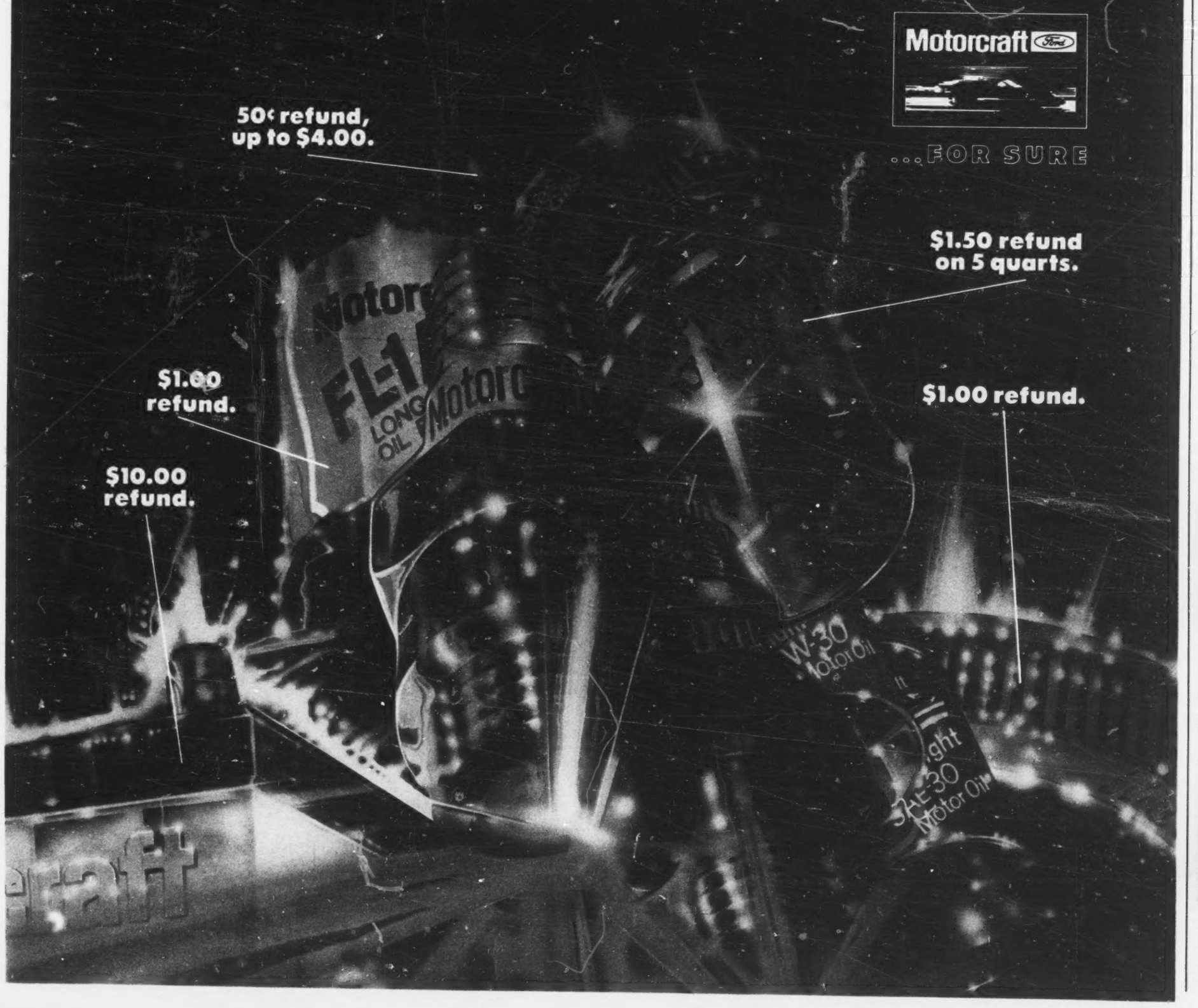
50¢ refund, up to $4.00.

$1.00 refund.

$10.00 refund.

$1.50 refund on 5 quarts.

$1.00 refund.



1964

(Continued from page 28)

Stores asked conventioneers to "define a discounter."

One stock analyst said the country's biggest discounters were Sears, Ward & Penney. Andres J. Weiss of A.S. Beck Shoe Corp. said: "Don't call them discounters, call them promotional department stores."

The Fab Four, i.e., The Beatles, were the hot group of the times and Capitol Records made it easier to buy with the move to a same-price-to-all policy, a major industry shift. The switch brought a $2.47 wholesale price down to $2.02 for a $3.98 list price record. The record industry boom was under way.

Caught in a Squeeze

But the squeeze was on coins during the year. The U.S. Mint was pressed to come up with extra coins to help in the shortage of changemaking. Some operators were handing out scrip in lieu of change.

Comparative price advertising was a hot issue. Topps in the Detroit area tried running comparative ads, but found the local paper wouldn't accept them. The overuse of this kind of advertising even led many to believe that it had become ineffective.

Other events during the year:

- K mart opened its first auto center with the debut of its second unit in Charlotte, N.C.
- Robert Hall announced plans to step into discounting with a "semidepartment store."
- Gibson franchised units hoped to reach $150 million.
- Frederick Zissu took over the chairmanship of Vornado after Herbert Hubschman's death.

Great Eastern Mills was thriving in the Greater New York marketplace and Arnold Siegal was president. *(DSN photo)*

STILL GROWING AT TWENTY 20 Discount Store News

1966: Korvettes and Spartans Tie the Knot

1966 Highlights

Industry volume: $11.5 billion.
Stores: 2,684.
- Housewares continues to lead the index of departmental incidence with 95.7%.
- Spartans merges with Korvettes, producing $1.3 billion complex.
- Batman merchandise flies high.
- Chains up takeover of leased H&BA departments.
- Rumor mill activity features Arlans and King's . . . and Vornado.

Korvettes and Spartans Industries. It was the wedding of the year in discountland in 1966.

The paring of Korvettes' $800 million volume with Spartans' $320 million had created a $1 billion-plus force and the sixth largest general merchandise group in the retail industry.

It was hoped that the marriage would lead to a more solvent Korvettes. The second largest discounter's profit ratio had been slipping for two years. Spartans' management was viewed as a savior to implement needed control systems at Korvettes, which had lagged under various new management teams tried by founder Eugene Ferkauf.

It wasn't, however, a marriage made in heaven.

To the ire of Korvettes stockholders, the small Spartans became the parent company. (But, under the binding agreement, Korvettes stores retained their name.)

The Federal Trade Commission didn't let the alliance pass unnoticed. The FTC required that Spartans divest, within five years, the 97-store Spartan-Atlantic chain, as well as 38% of its financial interest in Alexander's. This would diminish $200 million of Spartans' volume.

Optimistic Feeling

With high hopes, Charles Bassine, chairman of the newly merged companies, announced the firm had a favorable reaction from Wall Street and the banks. A group of banks agreed to loan the new company $80 million, which would be earmarked for new Korvettes expansion.

Other weddings were the talk of the industry during the year, but turned out to be little more than idle conversation in the rumor mill: Arlans, the No. 10 ranked discounter, was paired in merger talks with both Vornado (parent of Two Guys, the fifth-ranked discounter) and King's (the 19th largest chain with $125 million volume from 42 stores).

Meanwhile, Kresge with its growing K mart division's dominance, stayed at the top of the discount heap.

Kresge, opening 38 new K mart units during 1966, looked to surpass the $1 billion mark. By 1967, K marts were to be located in every state in the union with the exception of Oregon, Hawaii and Alaska.

Kresge stock was trading at 18-20 times the chain's earnings of $4 to $4.25 per share during the year, while the majority of discounter stocks could be bought for $12 per $1 of latest earnings.

The fanciest price-earnings ratio was sported by No. 29-ranked Caldor, whose stock was selling for 21-25 times its earnings.

With projected sales of $70 million from 13 units in 1966, Caldor was also leading the pack in image upgrading.

Caldor in its new stores was

(Continued on page 86)

Gibson stores put a ring around Dallas. From left to right, chairman H. R. Gibson Sr., sons Herb (president), Gerald and Richard, and Mrs. Gibson showed the No. 3-ranked chain's mark.

Top Five: 1966

Chain Rank	$ Volume (millions)	Store Count
1. K mart	926	160
2. Korvettes	800	43
3. Gibson	475	275/300
4. Interstate (Topps, White Front)	430	69
5. Two Guys	325	33

Did you know Quaker State ways to help you
One of the most common jobs your DIY automotive customers perform is an oil change. And they're getting into tougher jobs, too. So they need a great motor oil plus greases, lubricants and chemicals. And who gives them better quality in automotive car care products than Quaker State? Old dependable is right in step. Your pipeline to profit. And we've got a lot more than a whole gondola of quality products for you. Read on:
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2-CYCLE OUTBOARD LUBRICANT
QS-14
GAS TREATMENT
GAS LINE ANTIFREEZE AND DRYER
QSA189 AIR FILTER
F-L-M A-T FLUID
SAE 10W-30 HD
SAE 10W-40HD
Sterling
MOTOR OIL
MOTOR OIL
SUPER BLEND MOTOR OIL

1967: Acquisition/Merger Fever Gets Hotter

Federated Department Stores followed other traditional department store chains into the discount field in 1967, forming its Gold Circle division. Hal Field was named president. *(DSN photo)*

1967 Highlights

Industry volume: $13.6 billion.
Stores: 3,005.
- Federated Department Stores tosses its hat into discount ring.
- Fire levels McCormick Place during NHMA show.
- Dayton's announces it will go public and bolster Target.
- Chains fight Sunday Blue Laws.

If psychedelia, Bonnie (as in and Clyde) wigs and social unrest were signs of the times in 1967, so too were expansion and acquisitions in the discount industry.

The acquisition/merger fever was evident in the top 100 listing. A smattering: Gamble-Skogmo acquired Buckeye Marts; Zayre took Shopper's City; Gray Drug bought Washington Distributors/Bargain City; Parkview-GEM added Shelby Retail Dixiemart and Corondolet Stores; Bell & Scot acquired E. & Y. Corp.; Community Discount Stores absorbed Terry's and Vornado was tying up a deal to obtain Food Giant and its Unimart division. The rumor factory had King's looking to acquire Miracle Mart.

The industry grew to $13.6 billion volume, up a smart 18% from the previous year's total. Sales per square foot moved ahead to $68.30 from $67 as square footage grew 16% to 27,384,000.

Although some like No. 2-ranked Gibson's (expecting to end the year with 370 units and $700 million sales) complained tight money impeded expansion plans, others like aggressively expanding K mart seemed unaffected.

Topping the 200-unit mark, Kresge obtained $41 million in cash from debenture offerings to finance 50 new stores per year, looking to have 500 K marts in the market in five years.

The same year, K mart launched its first drive-thru fast-food venture with a K mart Chef in Pontiac, Mich. Born during 1967 was the chain's 10-minute flashing red-light special.

Like Korvettes, Kresge was looking to bolster its business, *Discount Store News* reported, with the use of a new business practice: sending out unsolicited credit cards. K mart ads enticed: "You can charge it too."

New Moves

Korvettes, having fallen a notch on the top 100 list, in the domain of Spartans was realigning its middle-management merchandise team.

The 45th Korvettes store opened during the year at Herald Square in New York, sandwiched between Macy's and Gimbels.

Target was pacing its expansion with its first two units for St. Louis. Dayton's, parent company of the nine-unit chain, announced it would go public to give its discount arm an extra financial boost for the future.

Federated Department Stores, observing the activity and success of its predecessors in the discount field, decided it would join the crowd. Thus, Gold Circle was conceived, with the first unit planned to debut in Columbus, Ohio, the following year.

Federated named Hal W. Field president of the new division. Said to be modeled after Target, Gold Circle's game plan included 50% soft goods and no majors.

At Penney, the decision was made to move its discount divi-

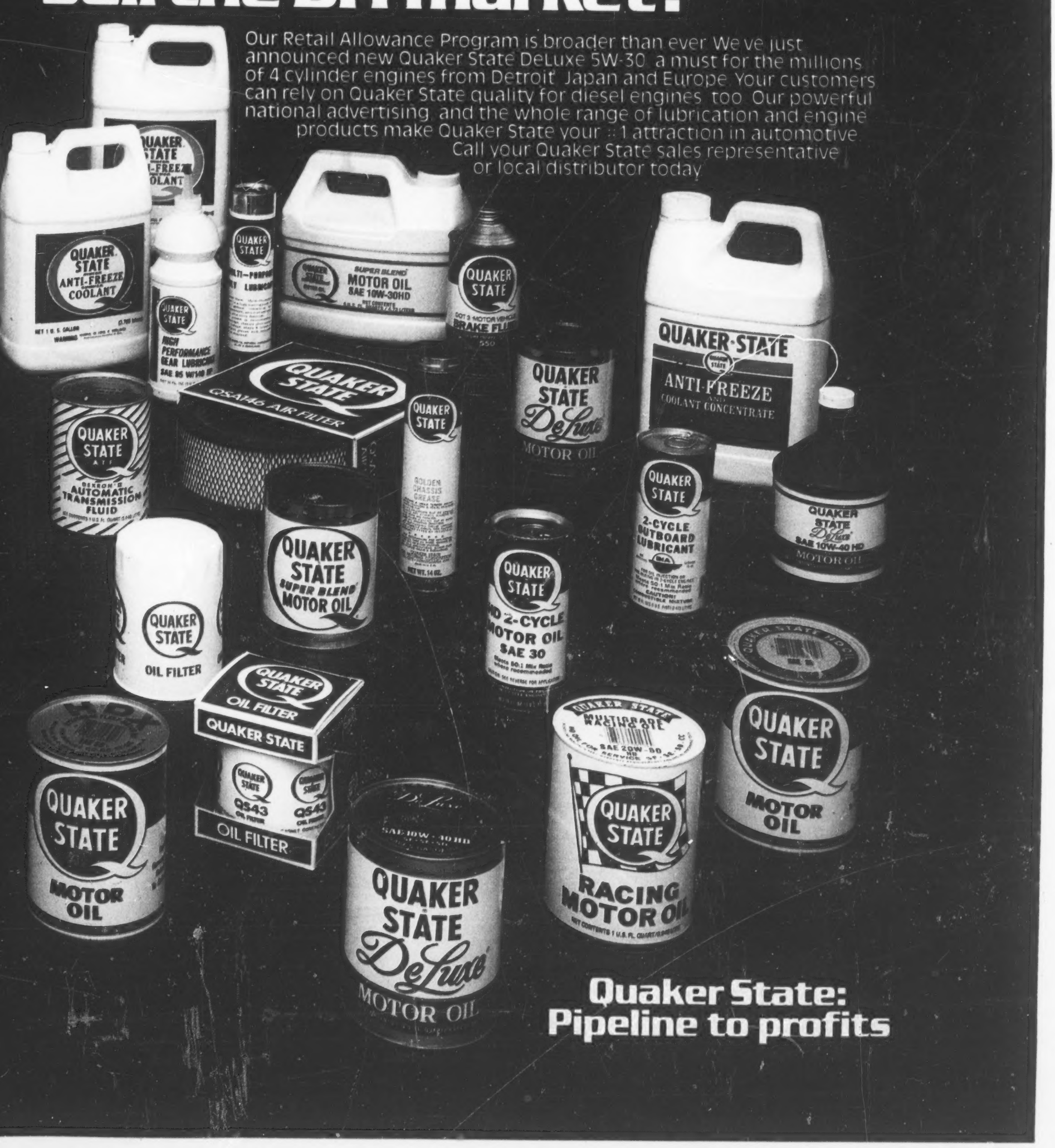
(Continued on page 85)

Top Five: 1967

Chain Rank	$ Volume (millions)	Store Count
1. K mart	1,340	215
2. Gibson	700	370
3. Korvettes	600	45
4. Interstate (Topps, White Front)	565	'85
5. Zayre	400	112

has all these profitable sell the DIY market?

Our Retail Allowance Program is broader than ever We've just announced new Quaker State DeLuxe 5W-30 a must for the millions of 4 cylinder engines from Detroit Japan and Europe Your customers can rely on Quaker State quality for diesel engines too Our powerful national advertising and the whole range of lubrication and engine products make Quaker State your #1 attraction in automotive Call your Quaker State sales representative or local distributor today


QUAKER STATE ANTI-FREEZE COOLANT
QUAKER STATE HIGH PERFORMANCE GEAR LUBRICANT SAE 85 W/140
QUAKER STATE SUPER BLEND MOTOR OIL SAE 10W-30HD
QUAKER STATE
QUAKER STATE QSA146 AIR FILTER
QUAKER STATE DeLuxe MOTOR OIL
QUAKER STATE ATF DEXRON®D AUTOMATIC TRANSMISSION FLUID
QUAKER STATE GOLDEN CHASSIS GREASE
QUAKER STATE ANTI-FREEZE AND COOLANT CONCENTRATE
QUAKER STATE 2-CYCLE OUTBOARD LUBRICANT
QUAKER STATE DeLuxe SAE 10W-40 HD MOTOR OIL
QUAKER STATE SUPER BLEND MOTOR OIL
QUAKER STATE OIL FILTER
QUAKER STATE HD 2-CYCLE MOTOR OIL SAE 30
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QUAKER STATE DeLuxe MOTOR OIL
QUAKER STATE RACING MOTOR OIL
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Quaker State: Pipeline to profits

1968: Chains Pare Bows, Surge to Merge

STILL GROWING AT TWENTY 20 Discount Store News

1968 Highlights

Industry volume: $16.35 billion.
Stores: 3,307.

- Ohio grabs lead in discount footage from Texas.
- Eugene Ferkauf leaves Korvettes.
- C. L. Yoke retires as vice chairman, gmm, at K mart.
- Alexander's to go public; George Farkas retires as chairman.
- William A. Hodder is promoted to president of Target.
- May Co. announces it will debut a discount division.

The industry expansion boom collided head-on with runaway real estate costs, which spurred the surge to merge in 1968.

New-store count fell off to 302 for the year, compared to 321 opened a year earlier. (The new units brought the total number of discount stores in operation to 3,307.)

Square footage, as a result of the curbed openings, racked up an 11.4% gain compared to 1967 when it had increased 16%.

Sales were healthy, up 20% to $16.3 billion from $13.6 billion.

Contributing to the volume gain were the fastest growing chains: K mart, up from $900 billion to $1.17 billion; Gibson, $761 million to $891 million; Interstate, $448 million to $507 million, and Zayre, $436 million to $504 million.

Woolco was pushing ahead, too, making its way into the top five ranking for the first time. With 94 units, the chain was to produce $553 million for the year.

Through merger, more names disappeared: Unimart was absorbed by Vornado; Daylin took over Wonder World; King's added Miracle Mart; Gaylords grabbed 82% of Giant Tiger.

Definite Possibility

Talks of more acquisitions again filtered through the industry. Among those mentioned was Cook Coffee—which announced all of its new units would bear the Cook name only—looking to acquire M. N. Landau (parent of Clark's).

During the year that began with the Beatles' "Magical Mystery Tour" as No. 1 on the record charts (as reported in *DSN*), chains further explored and stretched their territorial limits.

Target, planning to take on a new market a year, opened its first stores in St. Louis and an invasion of Houston was in the works for '69; Woolco, opening 27 new stores, was taking on northeastern markets and Texas, and Zayre made ready to invade New York State and North Carolina.

One hundred chains, representing 1,400 stores, joined the new Mass Merchandising Research Foundation (MMRF) at the year's beginning. Among those joining the fold was Federated Department Stores, whose first discount division, Gold Circle, debuted in Columbus, Ohio. (Ohio had become the leading state in discount square footage, grabbing the lead from Texas, which still had the most units.)

Federated also announced it would unwrap another discount chain after whetting its taste in the new industry. The chain, concentrating on hard lines, would be named Gold Triangle.

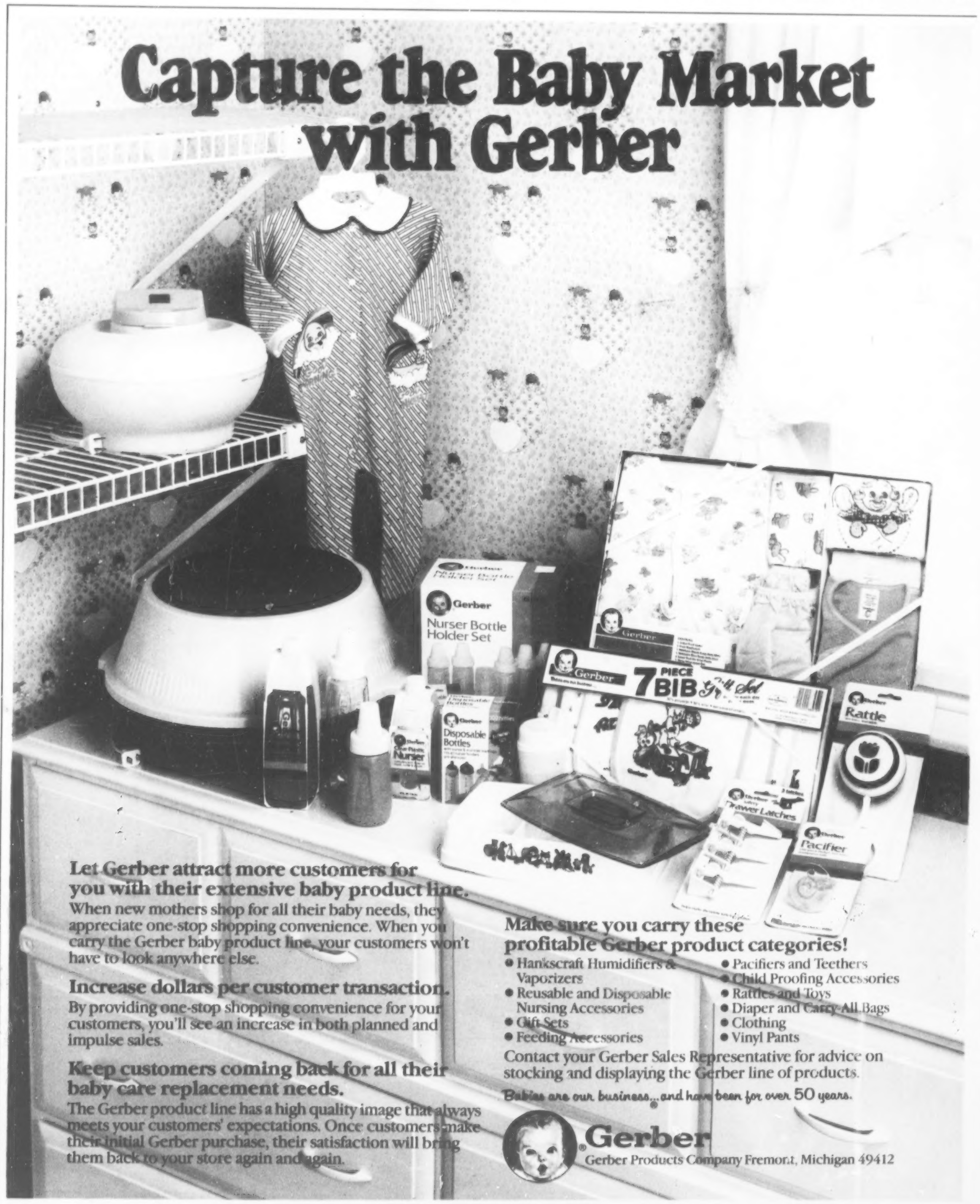
Still other big department store companies decided to enter the discount field, joining Federated, Allied and Dayton's: the May Co. pegged four openings for St. Louis in the early 1970's, and Rich's announced its intentions of spinning off a

(Continued on page 48)

Target invaded St. Louis, opening two stores. The ribbon cutting featured Jack Fontaine, Missouri regional manager, Rusell Sandberg, store manager and Douglas Dayton, president. *(DSN photo)*

Top Five: 1968

Chain Rank	$ Volume (millions)	Store Count
1. K mart	1,175	276
2. Gibson	895	425
3. Korvettes	665	45
4. Woolco	553	94
5. Interstate	507	94


Capture the Baby Market with Gerber
Gerber
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Let Gerber attract more customers for you with their extensive baby product line.
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1969: Soft Goods, Section Takeovers Gain

STILL GROWING AT TWENTY 20 Discount Store News

1969 Highlights

Industry volume: $18.4 billion.
Stores: 3,613.

- New store count is consistent at 306.
- California leads in store footage growth with 2,755,000 sq. ft. added.
- Chains up soft goods' share of the mix to 40%.
- May Co. names its discount division Venture.
- Rich's decides to create Richway.
- MMRF becomes Mass Retailing Institute.
- Dun & Bradstreet says industry has 5.8% of total retail sales.
- Kresge knocks 117-unit Jupiter off its new-store drawing boards.

Flower power was in, as evidenced by its use in decor in discount stores, especially new boutiques that began appearing in more chains' junior apparel departments during 1969.

Chains were looking to up soft goods, not only juniors, with many raising its slice of the overall mix to 40%. By the same token, in pursuit of bigger sales and gross margins, chains continued to move to take over formerly leased departments.

K mart, which started in 1962 with lessees pulling down 50% of total volume, was shrinking the figure by 10%; Bradlees raised its share of company-operated departments from 85% to 90%.

Zayre senior vp Sumner Feldberg urged a group of discounters during a Mass Merchandising Research Foundation meeting to shoot for $100 per square foot, opposed to $65 currently pervasive.

Industry volume took a 12% hike, up to $18.4 billion from $16.4 billion, a jump somewhat less dazzling than the year before.

As chains topped the $5 million average volume per-store mark, Dun & Bradstreet reported discounters' share of total retail sales was 5.8%, compared to 1.3% in 1960.

New store openings for the year remained consistent with the previous year at 306, up four units.

While chains were still merging, there was a slow down in that activity. Market specialists attributed that to new antitrust enforcers' attitudes toward conglomerates (i.e., halting the

(Continued on page 48)

Second Thoughts

Wall Streeters, noting some stocks had dropped during the year, were warming up their formerly cooled projections for 1970. Abetting their bullishness were chain predictions for sales increases of 16% or better. At least nine major chains eyed that performance: Arlans, Fishman, Gamble-Skogmo, Interstate, King's, Kresge, Woolworth and Zayre.

A number of stock analysts polled by *DSN* mentioned most favorably Kresge, Zayre, Interstate, Arlans, King's and Mammoth Mart for the coming year. They based their opinions on those chains' ability to expand and get financial backing.

Zayre and Interstate were singled out because of their successful ventures into specialty store operations.

Analysts also stressed that investors in 1969 had greater faith in discounters, because the chains were turning into organizations no longer relying on a few men to run them.

Top Five: 1969

Chain Rank	$ Volume (millions)	Store Count
1. K mart	1,250	330
2. Gibson	1,100	465
3. Korvettes	700	46
4. Interstate	625	101
5. Zayre	550	156

New prexies in 1969 included Max Candiotty (l.) at 53-unit, $300 million Daylin, and Robert J. Futoran (r.), at 52-unit, $155 million Bradlees. *(DSN photos)*

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ing allowance... and in
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Double allowance
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In addition, you can still take advantage of a good deal on Union's two ATF products in plastic quarts. You get one case free with every 12, on carload purchases of Union's motor oils. But hurry! All offers end December 31, 1982.

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UNION 76

STILL GROWING AT TWENTY 20 Discount Store News

Sporting Goods Trends

	1962	1970	1975	1976	1977	1978	1979	1980	1981	1982	5-year % Change '82 vs. '78	% Change '82 vs. '81
Dept. Size (sq. ft.)	N.A.	2,200	2,500	2,500	2,600	2,650	2,550	2,500	2,500	2,500	– 5.6	N.C.
Annual Turns	N.A.	2.6	3.0	4.5	4.3	3.5	3.5	3.1	2.9	2.5	– 28.5	– 16.0
$ Volume per sq. ft.	N.A.	N.A.	72.00	122.58	188.34	120.32	124.13	129.00	132.00	149.00	+ 23.8	+ 12.8
Initial Markup (%)	N.A.	31	34	34	34	34	35	35	36	37	+ 8.1	+ 2.8
Gross Margin (%)	N.A.	29	27	26	29	26	27	28	30	31	+ 19.2	+ 3.3
Discount $ Volume (billions)	N.A.	N.A.	N.A.	N.A.	2.2	2.2	2.3	2.5	2.7	3.1	+ 40.9	+ 14.8
$ Sales per Store (thousands)	N.A.	N.A.	N.A.	N.A.	318.8	318.8	316.5	323.0	331.0	374.0	+ 17.3	+ 13.0

N.A.—Not available. N.C.—No change. Source: DSN research.

1969: Soft Goods, Takeovers Gain

(Continued from page 47)

Cook/Gray Drug proposed merger); stock price drops, and the 1% boost in interest rates which brought them to 8½%.

The most square footage added by the industry during the year was in California. The state had a flurry of discount activity, with Woolco deciding to head west on the advent of its 100th store opening, and Zodys extending its boundaries.

California-based Lucky Stores gave the wings of autonomy to Gemco, making it a separate division.

The May Co. announced Venture would be the name of its new division, headed by John Geisse. The new chain was taking on more of a "Target look," adding former Target staffers. Appointed vp of finance was Thomas A. Hayes, former executive vp, Diners Club.

Still more traditional retailers were throwing their hats into the booming industry ring: Ward spoke of the strong likelihood it would be in the race; Rich's announced it would open a new division, to be called Richway, in the Atlanta market; Danners was treading out of its variety store past, and lessee Zale decided it too would open full-line discount stores.

More fuel was added to the Target-talk burner with the advent of Dayton's merging with Hudson.

The faces in discounting were changing rapidly, as evidenced by the growing number of management moves:

—Max Candiotty was named proxy of Daylin as David Finkle became chairman.

—Ames named founder Milt Golman the company's first chairman.

—Abe L. Marks became chairman of Hartfield-Zodys succeeding Leo Hartfield.

—Morton S. Fisher was named president of Town & Country.

—Robert J. Futoran of Frederick Atkins became president of Bradlees.

1968

(Continued from page 45)

chain.

May appointed John F. Geisse, formerly of Target, prexy of the new division which it looked to tally $60 million in volume.

Meanwhile, to assure the future of Target, Dayton's announced it would take its company public that year.

Rumors, founded by a Spartans (parent of Korvettes) move to unload its 38% stock in Alexander's, persisted that the latter would also go public by early 1968.

Personnel Change

Alexander's chairman and ceo George Farkas retired in the midst of the speculation, leaving his son Alexander president and chief executive officer. Benjamin Bartel, then corporate counsel, was named chairman.

Also announcing his retirement during the year was K mart vice chairman and general manager C. L. Yoke. Though not retired, Korvettes founder Eugene Ferkauf left his chain.

Milton Friedman was appointed executive vice chairman of Spartans Industries responsible for Korvettes, and Len Blackman became president of the chain.

At Interstate, Sol Cantor was being pegged as the next chairman of the chain, upon the death of Murray Safanie. Cantor was then president and ceo.

In other management moves, William A. Hodder, senior vp and gmm of Target, was promoted to president; Leonard Feinstein was elevated to gmm from vp of operations at Arlans; Julian Lavitt became executive head of White Front; Robert C. Wachs was named prexy of Vornado's Unimart division; Saul Zusman, formerly of Caldor and G. Fox, became the first gmm of an expanding Ames.

Flight to Fla. Opening Takes Havana Detour

(From DSN, April 6, 1970)

The plane takes off from the Cleveland airport.

Suddenly a strange man follows the stewardess into the cockpit.

Three executives from Cook United's discount division are on the plane heading to the opening of a new store in Merritt Island, Fla.

One of the executives asks: "Did you see that? Someone just went in to see the pilot."

The men put down their newspapers. Something is wrong.

The pilot announces: "We have been hijacked. We are going to Havana."

Fear spreads through the United 727. There's a man on board with a loaded gun.

Richard Stoller, senior vice president, administration; Gus Downing, personnel director, and Sterling Stern, director of marketing services, are worried, like everybody else.

The plane lands in Atlanta.

Over the intercom the hijacker shouts, "No one, I repeat, no one is to move."

No one moves. Forty-five minutes later the plane takes off, bound for Havana.

The Havana airport is not equipped to handle a 727 landing; there's a 45-mile-an-hour crosswind. The landing in Havana is rough.

Three Cuban army men throw open the door and demand the hijacker surrender his gun. He does.

Time passes. Finally the passengers are led off the plane into an area marked "immigration."

Six hours go by. Finally, passengers and crew are taken back to the plane. Lift off. And, at last, Miami.

The Merritt Island store opened the following morning. It was a grand opening.

Stock-up for Daiwa's big "OFF"ers

We're offering your customers some spectacular rebates on some of our best-selling rods and reels. Daiwa wants to make it easier for everyone to go fishing. And we want you to profit from it. Write to Daiwa for your book of consumer coupons. And stock up on the number one selling tackle.

$2 OFF

Holiday Kits.

It's going to be easier for your customers to buy Daiwa kits for Christmas and Father's Day gifts. With a $2 rebate on either of 2 kits, the 1088/231P and the J13/212. Rebates are good from November 1, 1982 to June 30, 1983.

J13/212

1088/231P

1970: More Conventional Holdouts Join Up

Richway was launched with Alan Ferguson (left) as senior vp, merchandising and sales promotion. John Geisse (far right), an architect of Target, was tapped by May Co. to be president of its new Venture offspring.

1970 Highlights

Industry volume: $22.5 billion.
Stores: 4,011.

- Gibson's hits the $1 billion mark.
- Woolco begins big drive to the West with entry into California.
- Kresge stock reaches $59; Grant's hits $52.
- Big year for chain launchings: Richway, Clover, Venture, Levine's, Lee's, Murphy's Mart, Rhodes Way and 3D.
- Wal-Mart ranks No. 73 among the top 100 chains with 26 stores.
- Harry Cunningham, Kresge's chairman and ceo, turns over president's spot to Robert Dewar.
- Hot items: Spiro Agnew watches, Nerf balls, Beatles album "Let It Be," men's dress shirts/tie sets in Cassini colors, $3.99 to $5.99.

The first year of the new decade was a boom for discounters despite all the odds against it: rioting in the streets, high inflation, tight money and the Paris threat of an export called "the midi."

In 1970 discounters jumped a full four percentage points in total general merchandise store sales, reaching a 35.7% market share.

The average volume of a discount store was $5,610,000, up 9.9% over 1969. Sales per square foot, in gross selling space, hit a new industry average of $68.25, up from $65 the year before.

The $22 billion discount store industry, which had already lured such department store groups as Dayton Hudson and Federated, plus variety chains like Kresge and Woolworth, pulled in at least eight holdouts in 1970.

The May Co. jumped on board with its launch of two Ventures in the 163,000-sq.-ft. class in the St. Louis suburbs.

Heading the operation was John Geisse, one of the architects of Dayton Hudson's Target operation. The stated plan for Venture was to parallel Target's success in hard lines with a push for more depth in soft lines. To get there, Venture hired nearly half its hard lines merchants away from Target and pulled soft lines people from conventional department stores.

New Approach

Federated, already operating the two-year-old Gold Circle chain, was eying another type of Dayton Hudson division. After examining Lechmere, Federated launched its own hard goods discount arm, Gold Triangle, with three stores in the Miami-Fort Lauderdale market.

Thanks to the clout of its parent Rich's, traffic was backed up more than a mile at each of Richway's two grand openings in March 1970. The stores, both in the Atlanta suburbs, were in the 160,000-sq.-ft. league, including 27,000 sq. ft. of leased supermarket space.

These two units were seen as just a warmup for Richway's Deep South invasion into South Carolina, Alabama and Florida.

Philadelphia-based Strawbridge & Clothier broke ground in the New Jersey suburbs for its first Clover stores. Management announced its intention to have 20-25 Clover stores operating within the decade in its three-state Delaware Valley trading area.

Three more variety chains jumped into discountland in

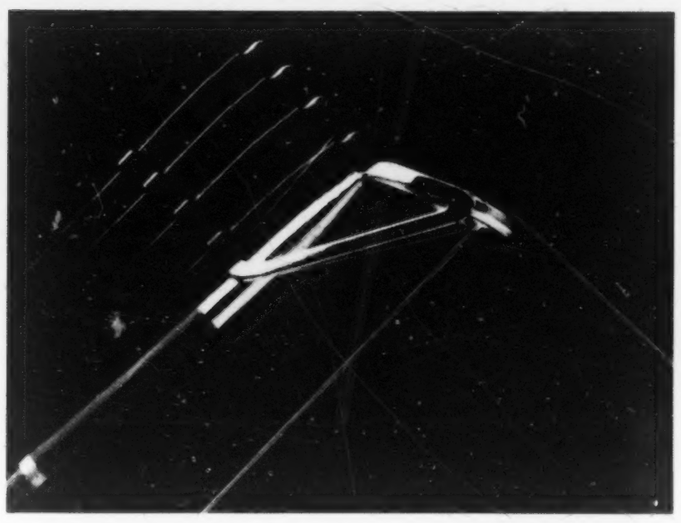
(Continued on page 54)

Top Five: 1970

Chain Rank	$ Volume (millions)	Store Count
1. K mart	1,500	403
2. Gibson	1,026	540
3. Korvettes	800	49
4. Woolco	750	160
5. Interstate	702	120

$5 OFF
Magforce Reels.

You'll be able to offer a $5 rebate on Daiwa's revolutionary Magforce anti-backlash system from November 1, 1982 to June 30, 1983. Two Magforce models will be offered, the PMF 10S and the wide spool PMF 15S.



Strike Intro Offer.

From February 15 to June 30, 1983, your customers get $3 back on our new Strike rods – top quality graphite rods at fiberglass prices. An you'll have the Strike Force out there selling them for you too.

The Strike Force

$3 OFF
Spinning Reels.

You'll cash in on more spinning sales too, with a $3 rebate on any reel in our Regal Black, Regal Silver and Apollo Silver series. Rebates are good from October 1, 1982 to June 30, 1983.

Daiwa
Rods and reels. Made for each other.

For your consumer coupon book write, Daiwa Corp., Dept. CB-83, 14011 S. Normandie Ave, Gardena, CA 90249

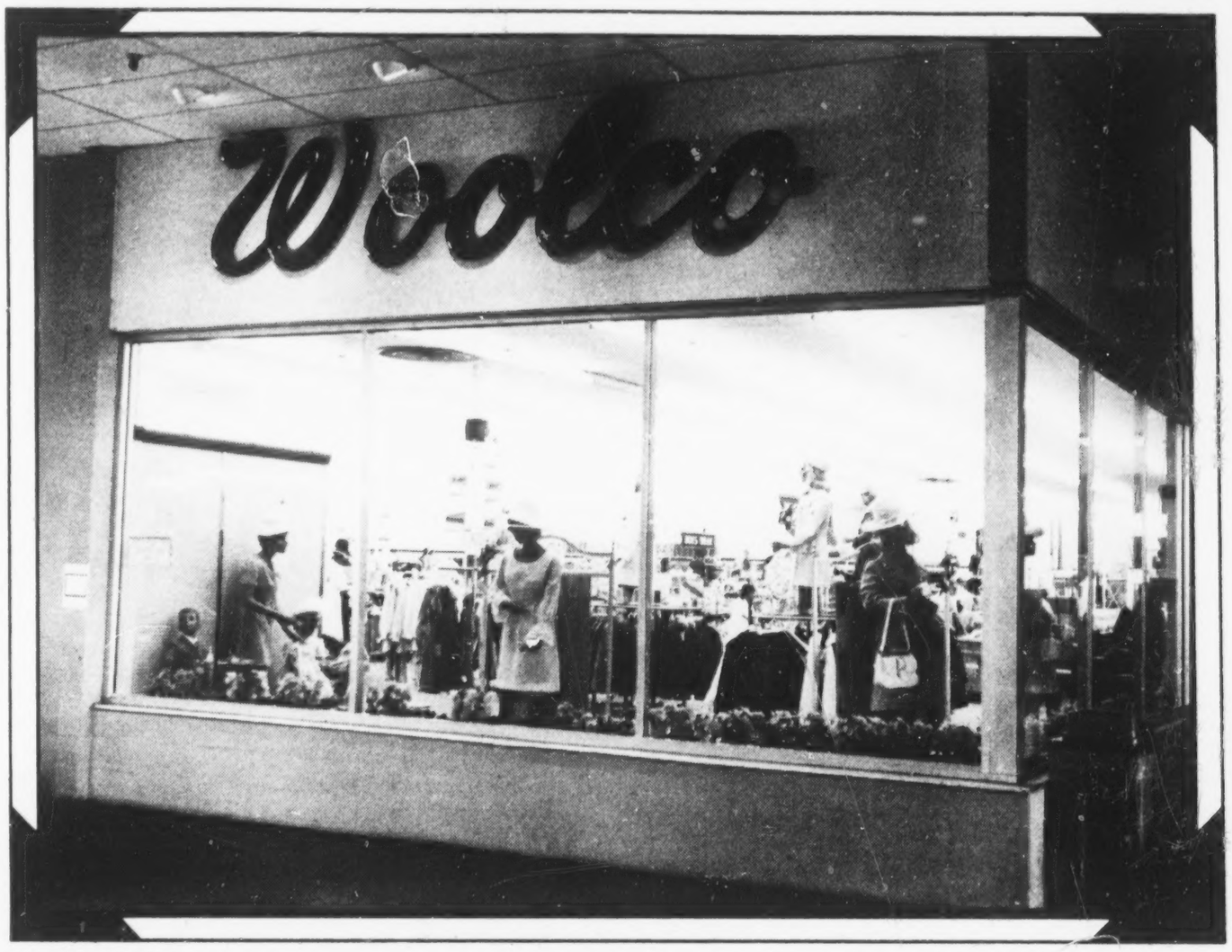
1971: K mart Soars; Three Old Biggies Stumble

STILL GROWING AT TWENTY 20 Discount Store News

1971 Highlights

Industry volume: $25.6 billion.
Stores: 4,344.

- K mart is the first chain to top the $2 billion mark.
- Zayre joins the top five list; Interstate is bumped down to No. 6.
- Duckwall launches ALCO with three stores in Kansas.
- Struggling to climb out of the red, Arlans plans to close 30 stores.
- Maurice Segall, director of J. C. Penney's Treasury division, resigns to join American Express.
- Hot items include space-dyed, skinny-ribbed knit shirts and sweaters, particularly with industrial zip necklines; 43-44-in., top-of-the-boot coats; hand-held hair dryer/stylers.



Woolco, billed as a "promotional department store" until 1971, was able, unlike K mart, to gain entrance into enclosed mall shopping centers, like this one in Denver. *(DSN photo)*

The 1971 store expansion slowdown, as a result of tight money and the saturation of major markets, didn't bother K mart. It continued to be a steamroller.

The first chain to pass the $2 billion mark, K mart continued to widen the gap between it and the other industry leaders, with second-ranking Gibson's $1 billion behind the Detroit-based giant.

With K mart maintaining its pattern of opening 70-75 new stores each year, chairman Harry Cunningham expected the chain to have no problem reaching its goal of $8 billion in general merchandise volume by 1980.

While K mart was surging ahead in sales and earnings, some of the mighty—Korvettes, Interstate and Arlans—were beginning to stumble.

The new management team at Korvettes was keeping the lights burning late looking for a way to revitalize the chain's stagnant sales and drop in income.

Marshall Rose, the chain's new president and still president of the discounter's new parent company, Arlen Realty & Development Corp., said, "We're sticking with Korvettes for the long haul . . . it has the potential to become one of the great retail institutions of all time."

Plans Listed

ARDC's plan to boost Korvettes' volume $100 million within a year included: cutting markups in an attempt to reassert its former price clout; opening eight new stores; locating new stores in malls with conventional department stores, and in turning loose institutional TV advertising in the eastern markets to bolster the value image.

At Interstate, chairman Sol Cantor was predicting a 1971 profit rebound following a net income plunge to $1.4 million in 1970 from $8.8 million the prior year.

Cantor's optimism was based on the company's two discount operations—Topps and White Front—settling labor problems which resulted in strikes lasting up to five months in some markets.

With modest expansion slated for the discount operations, Interstate planned to put more muscle behind its toy spe-

cialty chains operating under the names Children's Supermart and Children's Bargaintown, U.S.A.

Interstate management denied rumors that it was dropping soft goods from its Los Angeles-based White Front stores, saying it was testing a new kind of store, an 80,000-sq.-ft. unit without soft lines.

Arlans was grappling with a

(Continued on page 54)

Top Five: 1971

Chain Rank	$ Volume (millions)	Store Count
1. K mart	2,800	485
2. Gibson	1,550	590
3. Woolco	870	190
4. Zayre	683	200
5. Korvettes	700	50

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They change from light to dark to folding green.

New Chameleon sunglasses are about to change your sunglass business into big business.

New Chameleon sunglasses—backed by the biggest advertising commitment in Corning history. Provocative TV commercials on network prime time will ensure fast turns. Supported by five times the spending level behind SunSensor® lenses in 1982.

New Chameleon sunglasses—the only sunglasses with new, high performance SunSensor® lenses that change faster than ever. In 14 new varieties including gradients, mirrors and special driving lenses.

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Halmar Distributors, Inc.
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Royal Optical Company
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(408) 727-4040

Sun Glass Products, Inc.
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(714) 526-6675

Houston, Texas 77043
(713) 932-0721

West Chicago, Illinois 60185
(312) 231-8802

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Gardena, California 90248
(213) 532-1524

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Baltimore, Maryland 21223
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Or contact Corning Sunglass Products at (800) 847-1668. If dialing in New York, call the New York City Showroom at (212) 867-0790.

CHAMELEON and THEY'LL CHANGE YOUR WHOLE OUTLOOK are trademarks, and SUNSENSOR is a registered mark of Corning Glass Works, Corning, New York 14831.

Housewares Trends

	1962	1970	1975	1976	1977	1978	1979	1980	1981	1982	5-year % Change '82 vs. '78	% Change '82 vs. '81
Dept. Size (sq. ft.)	N.A.	3,400	5,390	5,400	5,100	5,100	5,100	5,734	5,734	5,750	+12.7	+ 0.3
Annual Turns	N.A.	3.9	3.9	4.4	4.4	4.2	4.2	4.2	4.1	3.9	– 7.1	– 4.9
$ Volume per sq. ft.	N.A.	N.A.	64.00	83.63	84.46	87.25	91.75	95.00	102.00	111.00	+27.2	+ 8.8
Initial Markup (%)	N.A.	35	36	37	37	38	37	38	36	36	– 5.2	N.C.
Gross Margin (%)	N.A.	34	31	34	33	34	33	34	32	31	– 8.8	– 3.1
Discount $ Volume (billions)	N.A.	N.A.	N.A.	N.A.	N.A.	3.1	3.4	4.2	4.8	5.3	+70.9	+10.4
$ Sales per Store (thousands)	N.A.	N.A.	N.A.	N.A.	N.A.	444.9	467.9	543.00	588.00	639.00	+43.6	+ 8.7

N.A.—Not available. N.C.—No change. Source: DSN research.

1971

(Continued from page 51)

red ink problem, a $22 million net operating loss. Kenton Corp., in the process of acquiring Arlans, was navigating Arlans' comeback drive, operating under a two-year management consulting contract.

Sidney Kamino, president of Kenton's 27-store FBC discount chain, was also at the helm as chairman and ceo of Arlans, following the resignation of Warren Eisenberg.

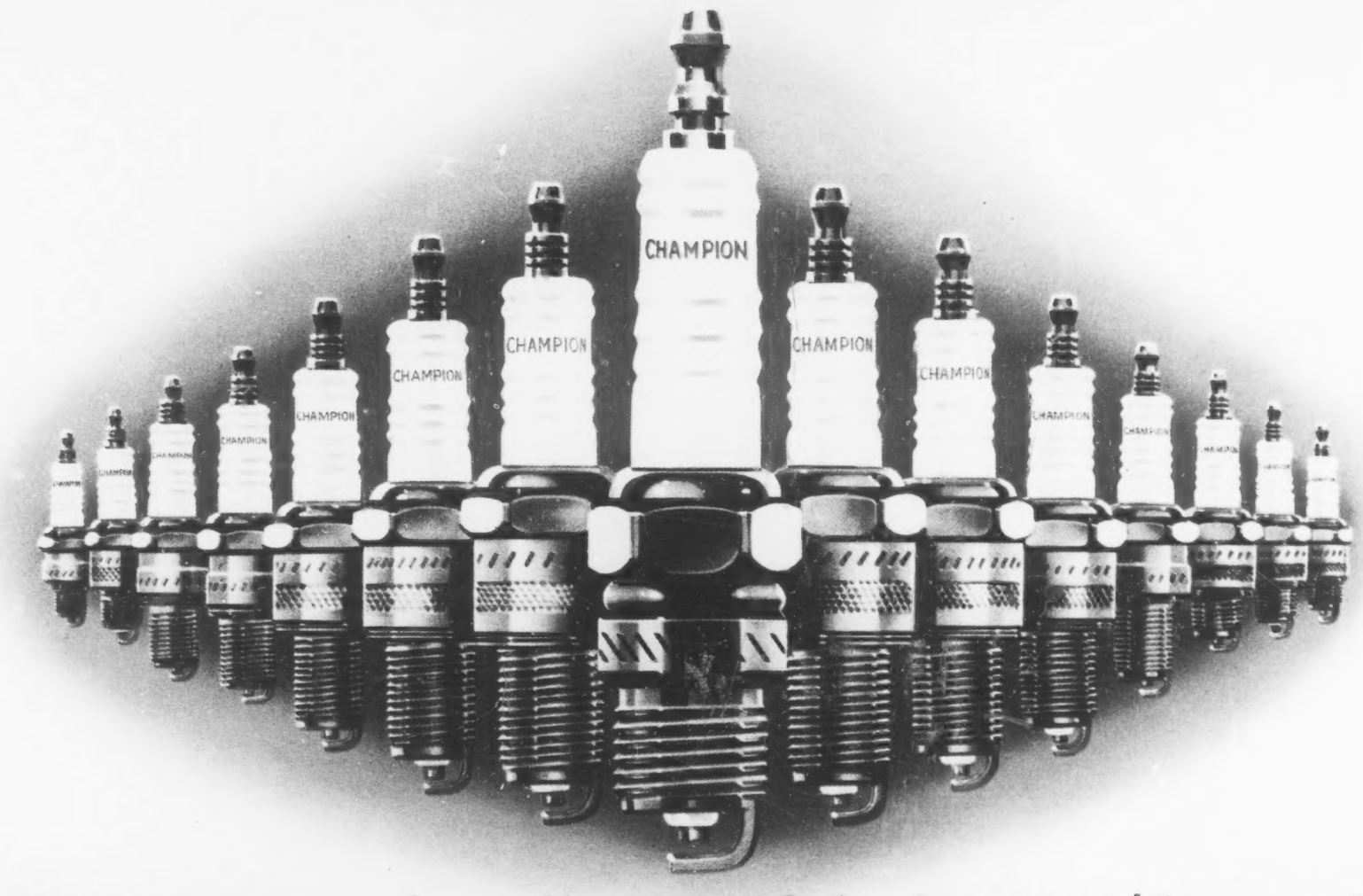
The Kenton cure for Arlans included paring down the volume from $370 million to $300 million; closing 30 money-losing stores; cutting payroll to less than 10% of sales, and eliminating virtually all warehousing.

One chain that wasn't experiencing any growing pains was Woolco. Thirty new stores were brought on board in 1971 with sales pushing toward the $1 billion figure.

Woolco took another giant step in 1971. Management acknowledged that Woolco was, indeed, a discount operation, not a "promotional department store".

Benson Flanzbaum (second from left), president of California-based Fantastic Fair, was a discounter who believed a store opening should have excitement—and elephants.

NEW 'COPPER PLUS'
Champion introduces a new design program with 30% fewer plug types.



Now you can handle 93% of the import/domestic 4-cylinder market with only 15 plug types.

'COPPER PLUS'...a brand-new family of spark plugs that can spark your profits like never before. This brand-new Champion lineup is especially engineered with emphasis on the fast-growing import and domestic 4-cylinder market.

'COPPER PLUS'...engineered with consolidation in mind. This new line enables you to cover 93% of the import/domestic 4-cylinder market with only 15 plug types...compared to the 23 formerly required. (You'd need more than 30 AC or Autolite types...as well as over 40 NGK types...to deliver the same kind of coverage.) That means dramatic reductions in inventory costs. Product moves faster, more profitably.

'COPPER PLUS'...does more than offer you a welcome extension to traditional Champion product lines. It's been engineered to provide maximum flexibility of plug types for optimum smaller engine market coverage. You can satisfy 92% of the *import* category alone – with just 11 plug types.

'COPPER PLUS'...these advanced plugs are on your shelves right now. You'll discover you'll need no other spark plugs than 'Copper Plus'...Champion-engineered to take care of older engine requirements and also put you confidently in the fast-growth 4-cylinder market.

CHAMPION®
NOTHING SPARKS LIKE A CHAMPION

Champion Spark Plug Company · Toledo, OH 43661

1970

(Continued from page 49)

1970.

J. J. Newberry launched Lee's discount store, a 60,000-sq.-ft. unit in Aiken, S. C. Newberry's chairman and president, Walter C. Strauss, said the chain would aim at the $5,000-$8,000 family income group, and sales per square foot of $50, $8 higher than the variety chain's.

G. C. Murphy opened the first Murphy's Mart near its Pittsburgh home base.

Indianapolis-based Danner's variety chain kicked off its discount store bid with a small, 22,000-sq.-ft. test unit called 3D in Huntington, Ind.

Two markets on the drawing board and slated for expansion by several chains were St. Louis and Washington.

With St. Louis and its 2.5 million population ranked as one of the top 10 key growth areas of the country, many chains were singing the tune, "Meet Me in St. Louis."

Fourteen discount chains were operating 36 full-line stores in the market and there would be more to come. May Co.'s launch of Venture joined a lineup consisting of, among others, Zayre, Target, GEM, K mart, Arlans, Cook United's Ontario chain, Shopper's Fair and Spartan-Atlantic.

Problems Seen

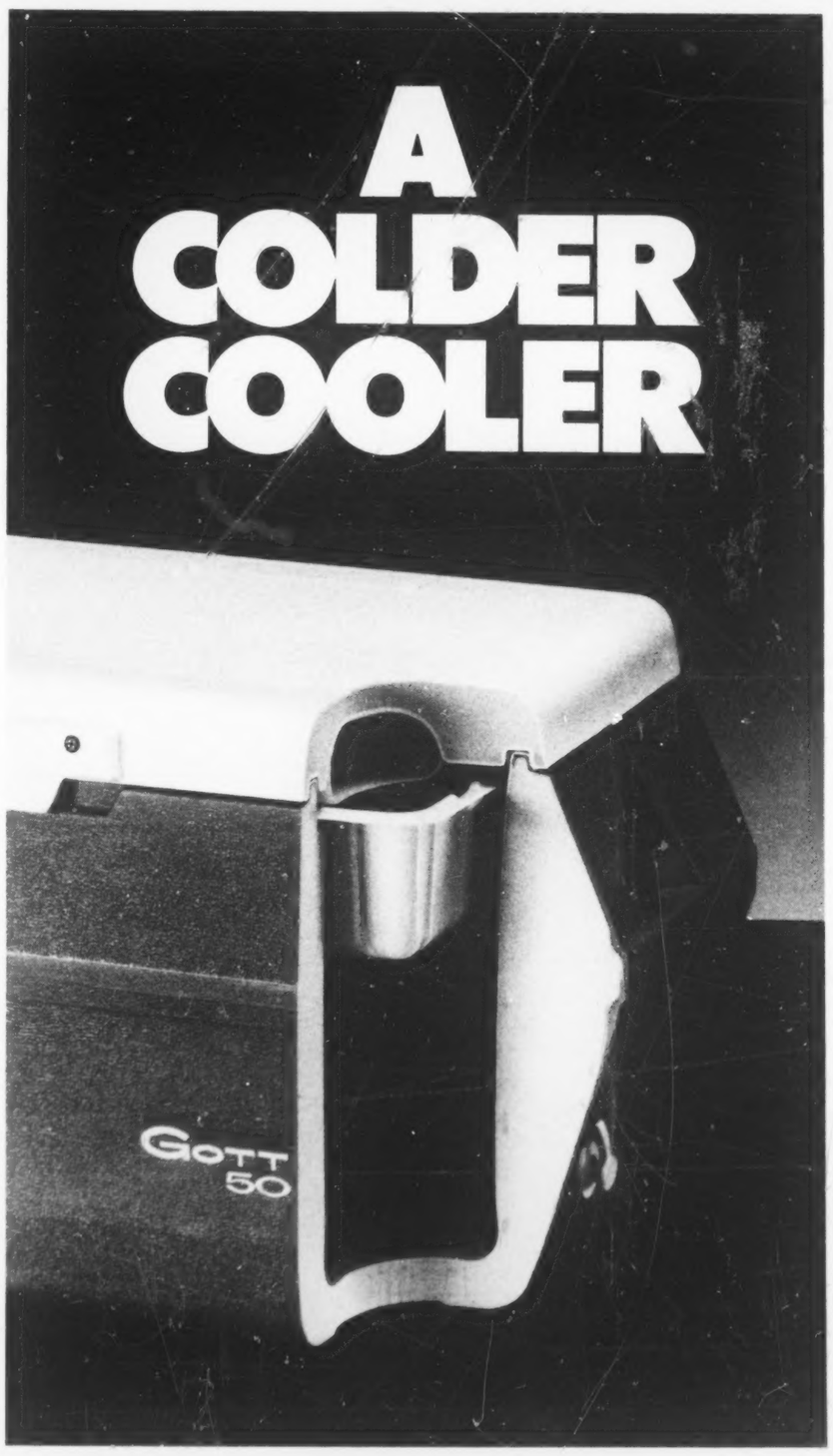
The year 1970 wasn't all go-go expansion. "Tight money," the year's buzzwords, also prompted chains to look for ways to trim the fat from their operations.

One result was that chains known for putting up "super-size" stores trimmed back to squeeze out greater sales productivity.

Store size notwithstanding, discounters were debating the salability of a new arrival from Paris alternately called "the midi" and "the longuette." Irene Satz, Ohrbach's fashion director, wrote to *DSN*: "The length is here at Ohrbach's. Come fall, we'll be showing only the longuette."

Korvettes and Interstate were going to test the lower hemline, but most discounters were planning to stay away.

What all discounters were talking about, in a more favorable light, was the introduction of new flash cubes, fired by a pin and requiring no battery or external power source. With the new flash cubes ready to hit the shelves, buyers were gearing up for big boost in camera sales.



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2-8202A

GOTT'S GOT IT.

1972: Store Sizes Cut

1972 Highlights

Industry volume: $28.2 billion.
Stores: 4,720.

- K mart, now past $3 billion, launches 60,-000-sq.-ft. "mini" stores slated for smaller markets.
- Korvettes taps Bill Cullen for TV ads to say "where the price is always right."
- Vornado opens its first catalog showroom operation in New Jersey.
- Target acquires 16 former Arlans stores and expects to top $300 million.
- Hot items include prerecorded 8-track tapes; unconstructed men's sports jackets, $15-$30; tennis rackets; "elephant" flare women's slacks and jeans.

Discounters in 1972 were patting themselves on the back for having weathered the recession, tight money and high interest rates.

Despite these obstacles, the industry managed to surge ahead, adding close to $3 billion in sales and nearly 400 new stores.

With the two-year-old recession abating, discount chains were in a take-off position with an increase in new store openings planned for late 1972 and for 1973.

This time around, there was a new direction on the drawing board for several major chains. With discounter saturation of the major metro markets, the chains began paring their typical store size to prepare for the invasion of medium and smaller markets.

In 1972 only 30% of new store openings were in the top 50 markets, compared to 38% in 1971. This trend was expected to continue. K mart and Zayre were leading the way in opening scaled-down units geared for smaller trading areas.

At the same time that K mart was phasing handguns out of its merchandise assortment and moving its headquarters from downtown Detroit to suburban Troy, it was phasing in new 60,-000-sq.-ft. "mini" stores.

The "minis" were headed for smaller markets in addition to the typical 90,000-sq.-ft. prototype for major markets. K mart expected to open eight "minis" by the end of 1972, another 15 to 20 in 1973.

Shifting Gears

Major appliances, lumber and building materials were scheduled to be dropped from the smaller stores.

With K mart's growth juggernaut abetted by the "minis," the chain expected to pick up the store opening pace to 95-100 a year, instead of the previous 70-75.

This new pace prompted a revision of the 1980 volume goal. Now, K mart was talking about $10 billion by 1980, not $8 billion.

Zayre, the fourth largest discounter, was heading toward the $1 billion class. Pushing hard to expand its 230-store empire, management announced 30 new stores, 2.1 million sq. ft. would be added in 1973.

Many of the stores going into action would be the new 43,000-sq.-ft.-77,000-sq.-ft. size, compared to its 78,000-sq.-ft.-83,-000-sq.-ft. prototype.

Zayre intended to use the smaller stores as vehicles to fill in gaps in its markets and boost store productivity. While Zayre was shooting for $1 billion volume, it also hoped to better its 1.3% net profit-to-sales ratio and boost its $75 sales per square foot of selling space.

One discounter that managed to break the $1 billion barrier in 1972 was the 10-year-old Woolco. With 232 discount stores operating, Woolco stated its goal was to bouble the size of the operation and hit 500 stores within five years.

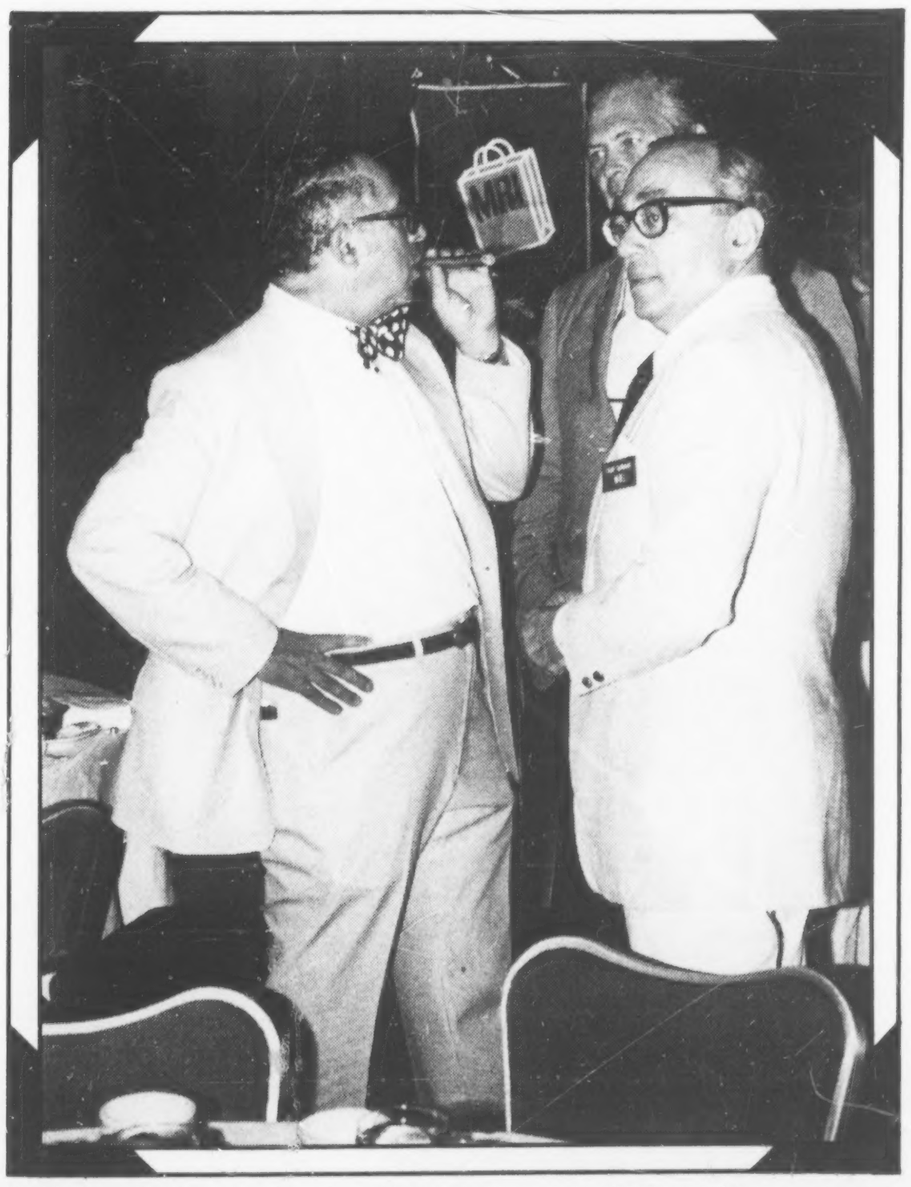
The store opening schedule was increased from Woolco's norm of 35 a year to 40 in 1973 and a possible 45 each year thereafter. This number would leave Woolco behind K mart in store openings, but well ahead of the plans of every other discount chain.

In another area, Woolco wasn't chasing K mart, it was going in an opposite direction. No longer calling Woolco a "promotional department store" and keeping its identity separate from the variety stores, Woolco and Woolworth began tieing in their TV advertising.

This move ran counter to the policies established by such retailers as Kresge, J. C. Penney, Rich's and Strawbridge & Clothier, all of which maintained their split personalities in advertising.

Arlans, struggling to climb

(Continued on page 61)



Art Buchwald (with cigar), with Kurt Barnard, MRI president, earned a rousing ovation for his observation, "Being a discounter means never having to say you're sorry."

Top Five: 1972

Chain Rank	$ Volume (millions)	Store Count
1. K mart	3,200	570
2. Gibson	1,700	595
3. Woolco	1,100	232
4. Zayre	885	230
5. Korvettes	700	52

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2-8202C

GOTT'S GOT IT.

1973: Arlans in Ch. XI

STILL GROWING AT TWENTY 20 Discount Store News

A heavyweight, Arlans, filed Chapter XI.

Interstate dramatically reduced its store base.

Zayre slowed its growth rate to concentrate on boosting sales in existing stores.

While the discount store industry continued its growth momentum, adding $3.3 billion in sales in 1973, it also stopped for breath and did some soul searching.

The result was that several chains began to take their markdowns. They shuttered nonproductive stores; called a halt to the buckshot pattern of new store openings, and reduced store size for greater productivity and lower inventory costs per unit.

As 1973 progressed, the need to hold down the cost of inventory became crucial as interest rates, once again, began to climb. By September the prime rate hit 10%, a new high for the year.

The timing of the interest rate spiral was particularly troubling for the chains financing Christmas inventories with short-term borrowings running higher than the prime.

Arlans, one of the industry's hottest growth chains as recently as 1970, was at the top of the "troubled list," having reported three consecutive years of falling sales and profits, the latter resulting in a loss of $57 million.

With its Chapter XI filing, Arlans was trying to make a fresh start. The store count was pared down from 105 in 1971 to 47 in 1973; all stores west of the Mississippi, among others, were abandoned.

Its debts frozen, Arlans was using income from sales to pay cash for inventory replenishment.

The chain's goal was to produce $100 million-$125 million in sales, and $2.5 million profit from remaining stores.

Interstate, the fifth largest discounter in 1970, reported a sea of red ink in 1973, part of which was created by radical surgery: the closing of 19 Topps and 21 White Fronts. By 1973 Interstate dropped to No. 13 among the top 100 chains.

With Interstate left operating 18 White Fronts, and 48 Topps, chairman Sol Cantor reported to the Securities & Exchange Commission that White Front and Topps still continued to be unprofitable. But, Cantor said, a bright spot was a small division of the company, Toys "R" Us, approaching 50 stores and $130 million in sales.

Interstate was hoping to get

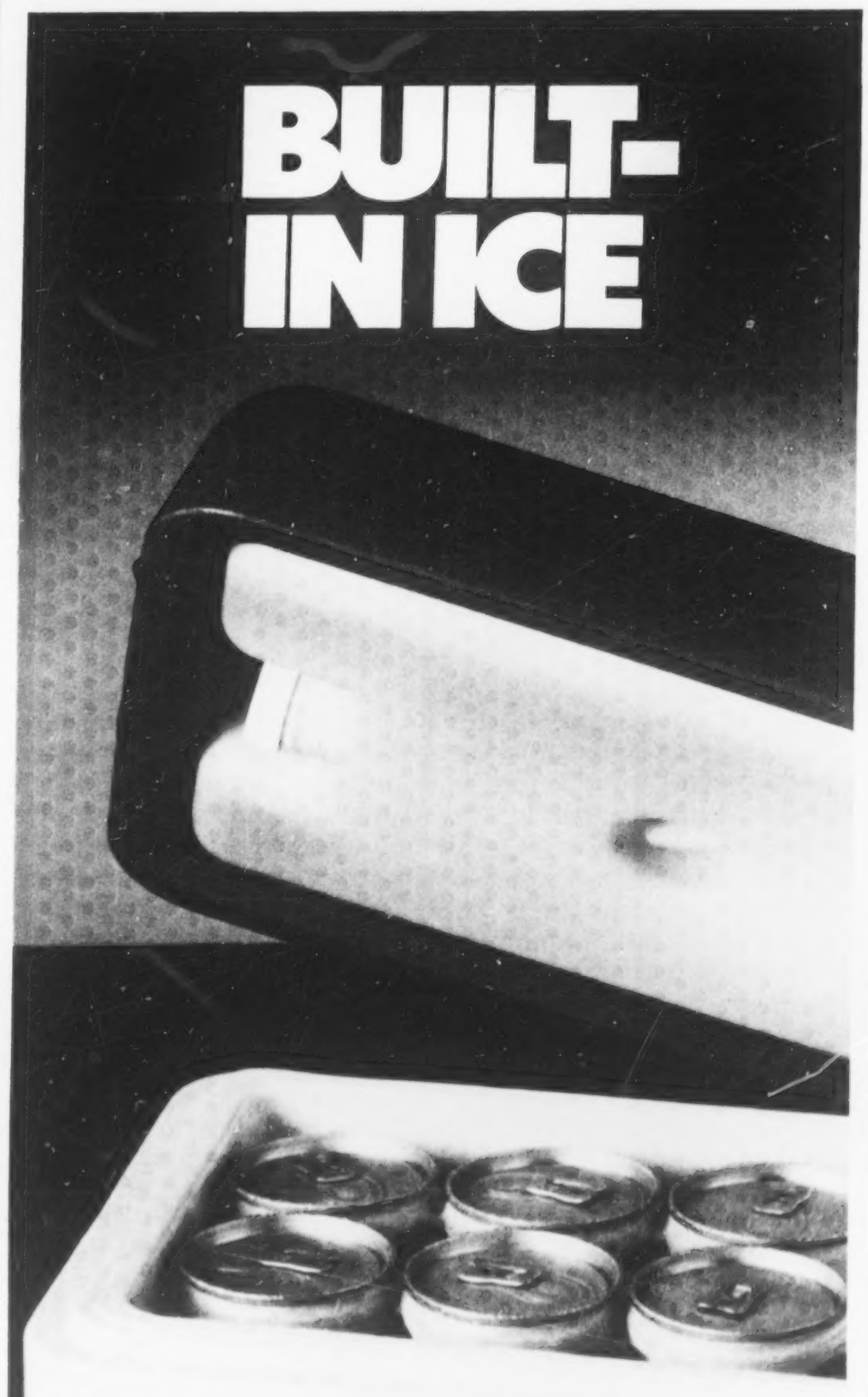
(Continued on page 61)

1973 Highlights

Industry volume: $31.5 million.
Stores: 4,962.

- Gemco, FedMart and The Treasury join the top 20 list.
- Wal-Mart, with $175 million in sales, is ranked 24th among the top 100.
- Arlans files Chapter XI, the biggest retail bankruptcy yet.
- Korvettes opens its first home furnishings clearance center.
- A new housewares category develops: knockdown furniture.
- Hot items include home freezers; pocket calculators; bow ties (for men); flared and cuffed men's slacks, and women's brushed denim jeans with nailhead trim.

BUILT-IN ICE



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2-8202B

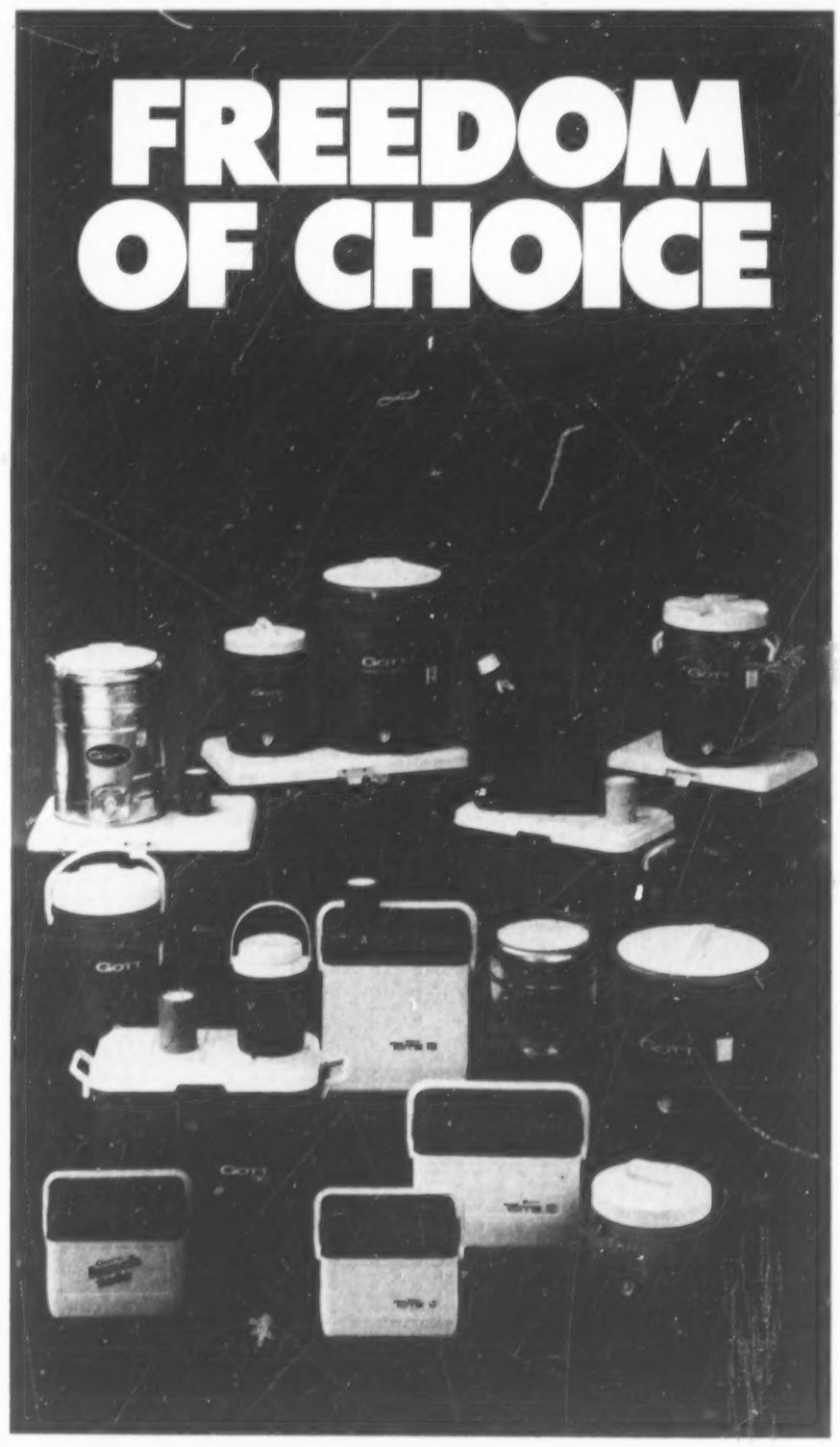
GOTT'S GOT IT.

Top Five: 1973

Chain Rank	$ Volume (millions)	Store Count
1. K mart	3,800	680
2. Gibson	1,750	700
3. Woolco	1,300	277
4. Zayre	965	250
5. Korvettes	675	56

Wal-Mart climbed from No. 73 among the top 100 chains in 1970 to No. 24 by 1973. In '73 shareholders received their first semiannual dividend, 5¢ a share. *(DSN photo)*

FREEDOM OF CHOICE



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2-8202D

GOTT'S GOT IT.

1974: 70's Shakedown Is Over . . . Or Is It?

K mart began to change its shape in 1974, opening its first mall sites as well as its first 40,000-sq.-ft. prototype, appropriately called a "mini." The chain planned 15-20 of the small units.

1974 Highlights

Industry volume: $34.4 billion.
Stores: 5,082.
- Merchandising highlights include the addition of DIY departments.
- Smaller stores—40,000 to 60,000 sq. ft.—have a bigger future.
- Unishops reorganizes under Chapter XI.
- Mammoth Mart closes 14 stores under Chapter XI.

The shakedown of the 70's is over.

That was the consensus of top executives of major discount chains when brought together by *DSN* in 1974 to discuss the future of the discount industry.

Looking into their crystal balls, the chain execs predicted there would be a rise in promotional business, and pinpointed turnover as the area for improvement.

Those surveyed cast an optimistic vote when they said they didn't expect any other major chains to file Chapter XI in the future. Obviously there was enough confusion in 1974 to last for some time.

Among the chains jockeying for stability in 1974 were Parkview-GEM, which filed for reorganization under Chapter XI; Interstate, which filed Chapter XI after a deal to acquire 1,200 McCrory variety stores fell through, and Mammoth Mart, whose store count kept declining as it, too, reorganized under Chapter XI.

Washington, Dallas-Fort Worth and Indianapolis were among the cities that found themselves minus some stores as six chains—including Cook, Arlans and Family Bargain Centers—shuttered 33 stores in those and other markets.

Chicago, however, was one of the hot markets in 1974, as J. C. Penney's Treasury, Woolco and Venture opened three units each in the city. The Windy City added 1.5 million sq. ft. in new discount store space in less than two years.

The drive by chains for market domination grew. Caldor continued to move into Westchester and Connecticut counties; Gold Circle opened its sixth unit in an Ohio suburb and K mart opened 10 sites in New Jersey, eight in the Baltimore area and another eight in New England.

K mart's shape began to change in 1974. The industry leader opened the first two of a projected 15-20 40,000-sq.-ft. sites dubbed "minis." K mart also opened its first mall site in '74.

The Background

The much touted darling of the year, paradoxically, as discount store size was diminishing, was the European hypermarket.

Those stores ran as large as 200,000 sq. ft.—with food making up a large percentage of sales. The hypermarkets' high profiles were considered to make efficient use of the cube—a concept discounters borrowed even as they devoted their efforts to upping soft goods sales.

A Federal indictment handed down on price-fixing had discounters wondering if they would be able to carry branded apparel at discounted prices.

Caldor's hard goods orientation began to wane in two new upstate New York sites as the chain reached a 55/45 ratio in soft/hard lines. Caldor had previously run 30/70 in soft/hard goods.

Other chains refining their merchandise mix included Two Guys, which eliminated its supermarket, furniture and jewelry departments, and Gold Circle, which began whittling down the sku's found in its small-appliance department.

(Continued on page 61)

Top Five: 1974

Chain Rank	$ Volume (millions)	Store Count
1. K mart	5,239	788
2. Woolco	1,563	314
3. Gibson	1,306	640
4. Zayre	954	258
5. Korvettes	705	571

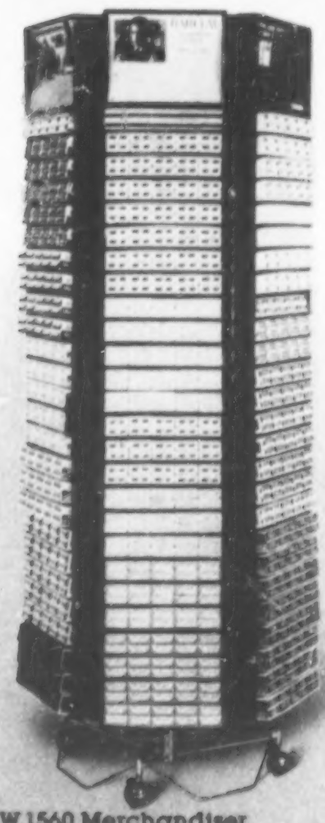
Earn up to $24,000 profit per year per store.

With B&W's centralized package merchandisers you can pack the most selling potential into every inch of cigarette selling space. In fact, a retailer, depending on his volume and his profit margin structure, could generate package profits as much as $24,000 per store/per year, experience annual inventory turns as high as 45.8, and an ROII of as much as $16.01 with the placement of only two of our compact 1560 package merchandisers.

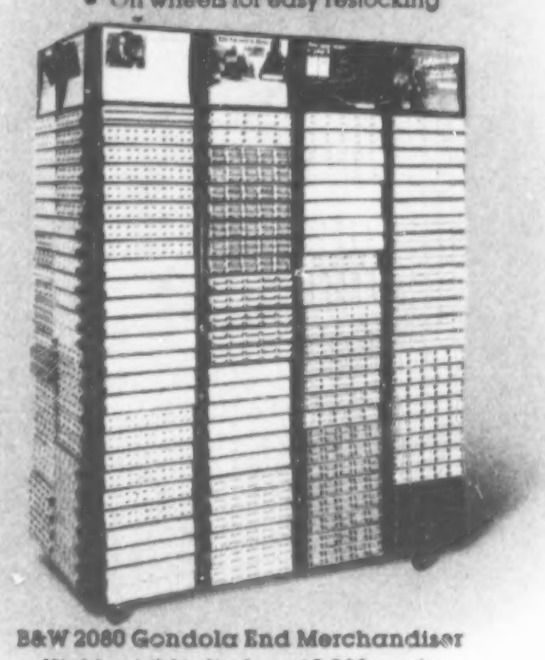
The problem with conventional cigarette display fixtures.

In 1972 you only needed 69 brands to satisfy 98.5% of your customer demand. Today you need 135 brands. Conventional belt-line package fixtures are simply inadequate — in capacity and flexibility — to meet this dynamic demand for cigarette package sales in supermarkets.

What's more, independent, reputable studies show eight out of ten customers will shop elsewhere if you don't carry the brands they prefer! And, 20% of those customers will stop shopping with you altogether!



B&W 1560 Merchandiser
- Highly visible display of 1,560 packs
- Large capacity in 3.79 sq. ft. of floor space
- Quick carton loading
- On wheels for easy restocking



B&W 2080 Gondola End Merchandiser
- Highly visible display of 2,080 packs
- Eliminates front-end clutter
- Provides maximum brand mix
- Quick carton loading
- Cuts labor costs — improves front-end efficiency
- Reduces inventory investment

The B&W solution.

B&W's flexible package merchandisers can give you more sales and greater profits in less space by . . .
- Holding a full line of brand styles to optimize sales
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- Maximizing product visibility

So, if you're still relying on conventional cigarette package display fixtures, ask your B&W Representative to evaluate your profit potential and show you how to pack more profits into your cigarette selling space.

Our business is helping yours.
BROWN & WILLIAMSON TOBACCO CORPORATION

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1973: Arlans in Ch. XI

(Continued from page 57)

back in the black in fiscal 1974.

A problem that continued to plague the operation in 1973 was the difficulty of obtaining merchandise for Topps. Manufacturers were cutting off the pipelines due to the chain's financial problems. To offset this, Topps instituted an "open buying day program." Every Tuesday buyers were available to see vendors without an appointment.

White Front didn't have this problem since Interstate leased out almost all the chain's departments except for major appliances.

In 1973 Zayre projected sales of $1.05 billion for the year ended January 1974 and released a five-year plan calling for sales of $1.6 billion by 1978.

More Stores

The plan included another 100 to 125 stores by 1978, but that figure represented a slowdown to about 20 new stores a year, instead of the previous 30 a year.

The chain's new emphasis was to concentrate on building up its impact in existing markets. Zayre's commitment to cluster development was exemplified by its pullout from Philadelphia. With just one store, although a profitable one, Zayre decided it was too expensive to operate in this major market.

One chain where sales rejuvenating efforts seemed to be paying off was Korvettes. Under the leadership of David Brous, president, the chain was taking steps to move away from its discount store image to one of a "value department store."

Toward that end Korvettes expanded its closeout fashion apparel assortment and aggressively went after name brands for that segment of the business, reducing its level of private label imports.

In another move paralleling department store strategy in its trading area, Korvettes opened a pilot 26,000-sq.-ft. furniture clearance center in New Jersey.

October 1973 was the date of a "first" for Wal-Mart, Shareholders received their first semiannual dividend, 5¢ a share. A company spokesman said the dividend payout was a sign of the company's "maturity," reaching the point where the chain could pay a dividend and finance new growth through internally generated income.

That year Sam M. Walton, founder of the chain, also made the news. In a *Fortune* study of "the new multimillionaires of the 1970's," Walton made the list.

So did a handful of other retailers: Curtis L. Carlson, head of the Carlson Companies conglomerate that included Ardan catalog showrooms; Milton J. Petrie, founder of the Petrie special apparel stores, and Manny Fingerhut, head of a vast mail order operation.

H&BA Trends

STILL GROWING AT TWENTY 20 Discount Store News

	1965*	1970	1975	1976	1977	1978	1979	1980	1981	1982	5-year % Change '82 vs. '78	% Change '82 vs. '81
Dept. Size (sq. ft.)	2,600	2,000	2,243	2,227	2,227	2,235	2,235	2,240	2,240	2,275	+ 1.8	– 1.6
Annual Turns	7.1	4.7	4.1	4.4	4.2	4.3	4.3	4.3	4.1	4.2	+ 2.3	+ 2.4
$ Volume per sq. ft.	139.00	N.A.	140.00	152.09	165.79	181.56	192.03	208.00	224.00	243.00	+33.8	+ 8.4
Initial Markup (%)	N.A.	28	26	27	26	28	29	30	28	25	–10.7	–10.7
Gross Margin (%)	26	24	21	22	21	21	23	25	23	22	+ 6.2	– 3.0
Discount $ Volume (billions)	N.A.	N.A.	N.A.	N.A.	N.A.	2.8	3.1	3.6	4.1	4.6	+64.3	+12.2
$ Sales per Store (thousands)	N.A.	N.A.	N.A.	N.A.	N.A.	405.7	429.2	465.0	502.0	550.0	+36.8	+10.6

*N.A.—Not available. *—Earliest year for which figures were available. Source: DSN research.*

1972: New-Store Sizes Are Whittled

(Continued from page 56)

out of the red, closed 30 stores, some of them in key markets like Atlanta, Jacksonville, and northern New York State.

The chain was sticking it out in the tough St. Louis market, dominated by Venture and Target. In an attempt to maintain its competitive position there, Arlans began experimenting with the offer of Top Value trading stamps.

Several discounters tried similar trading stamp programs, only to drop them after unsuccessful trials. In 1972, Two Guys was one of the few discounters still offering stamps.

In 1972 discounters were taking a closer look at a feisty, burgeoning retail competitor, the catalog showrooms.

Many were skeptical about the growth of the catalog showrooms and their ability to chip away at the discounters' business. Others, like K mart, reacted by cutting prices to meet the catalog competition, particularly in traffic appliances.

Some chains decided to join them, not fight them. Vornado, Two Guys' parent, opened showrooms in New Jersey. Grand Union, Grand Way's parent, chose the same state to launch its operation.

Discounters called 1972's Mass Retailing Institute convention in Atlanta "the best ever." The longest and loudest ovation of the confab went to Art Buchwald, the speaker who said, "Being a discounter means never having to say you're sorry."

That comment began, and ended, his references to the mass retailing industry.

1974

(Continued from page 58)

Discounters were trying to keep a lid on prices in 1974, as tradeup was looked down on. In the consumer electronics category there was a slowdown in the rush to high-end—$300 to $600—systems. Discounters found most of the movement in the $200 area, with chains adding to their stock of televisions and bringing in some audio components.

The bulk of the movement in the toy and hobby area came in the under-$10 items. In housewares, chains expanded into the field of personal care electrics.

Adding It Up

As merchandise mixes were turned and chains kept expanding, a joint MRI/NRMA study showed that small discount chains outperformed larger concerns. As a per cent of sales, bottom-line profits for chains doing under $100 million in sales averaged three times those of chains doing over $100 million.

Some names in the news in 1974 included Martin Lewis, named president and ceo of Cook United; Neil Bennett, appointed director of stores for Rich's Richway discount arm, and Peter Hayes, now chosen as dmm for hard lines at Hills.

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1975: Chains Reduce Costs as Recession Hits

STILL GROWING AT TWENTY 20 Discount Store News

1975 Highlights

Industry volume: $38 billion.
Stores: 5,536.

- The greatest gain in discount stores is in the East Central and mid-Atlantic regions.
- DIY and leisure living departments grow in popularity.
- W. T. Grant closes 201 stores; some chains fear tightening of credit lines.
- Recession causes fears and cutbacks in operating and merchandising expenses.
- "Jaws" becomes a hot licensed character.
- Hugo Mann buys FedMart.

Discounters found themselves taking drastic measures to do battle with the 1975 recession.

Chains began laying off their staffs, substituting part-time workers for full-timers and slashing store hours in an effort to reduce utility bills.

Sales and earnings slides in 1974 caused promotional battles to heat up in 1975. Christmas was no longer so jolly as chains slowed their holiday ordering—with memories of heavy markdowns and sluggish consumer buying during the previous Christmas season striking deep in executives' hearts.

K mart launched an aggressive promotion drive in the spring as flat or depressed earnings were projected for the fourth quarter of the year.

That projection, however, didn't hinder the chain's expansion drive—with over 130 stores opened in 1975.

Caught in a Squeeze

Although K mart continued its growth, the discount chain population suffered some shocks. Such chains as Mammoth Mart and Unishops continued to operate out of Chapter XI. Despite a declining store count the chain predicted they could come out of Chapter XI.

Mangel moved out of discounting, as it closed all its Shopper's Fairs but continued to operate specialty shops.

Nondiscounter W. T. Grant's bankruptcy brought its store count from 1,074 in 40 states to 873 in 28 states. The chain also took storewide markdowns on merchandise.

The action sent trembling throughout the discount industry as discounters feared the tightening of credit lines.

Game's, a South African discounter, opened stores in Maimi—ready to brave the American wilds.

Target kicked off an ambitious five-year, 20-store expansion program, with a major effort readied for St. Louis and Milwaukee. Wal-Mart opened 21 stores. California didn't lose its appeal as the Treasury and Gold Circle moved west.

The strength of the industry was apparent in the two weeks up to Nov. 17 when a store opening blitz took place—over 2,000,000 sq. ft. of space was opened.

FedMart was acquired by Hugo Mann, a West German retailer. Mann planned to move the chain toward a hypermarket prototype, and Giant Way, a 10-unit chain, sought to acquire Zodys.

Discounters looked to devote more store space and advertising dollars to soft lines.

As consumers put off making hard goods purchases, chains tried to improve their margins by boosting sales in such areas as apparel and domestics. With soft goods operating on higher markups than hard goods, the former started receiving prima-

(Continued on page 67)

Top Five: 1975

Chain Rank	$ Volume (millions)	Store Count
1. K mart	5,872	933
2. Woolco	1,912	332
3. Gibson	1,454	650
4. Zayre	985	267
5. Two Guys	860	76

Venture's wall graphics reminded customers apparel had come a long way from the 19th century to the 20th. The five-year-old chain intended to build its share of the apparel business. *(DSN photo)*

Back by popular demand.

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1976: Ex-Grants Acquired

STILL GROWING AT TWENTY 20 Discount Store News

It was a phenomenal growth year for discounters in 1976 in more ways than the $44 billion volume produced.

A gain of 606 new stores—the most ever openings during a single year to that date and to the present—boosted the industry over the 6,000-store mark.

Much of the growth resulted from discounters taking advantage of ex-W. T. Grant sites, abandoned in that company's bankruptcy proceedings.

Among chains picking up Grant stores, in what amounted to a fierce bidding war, were King's, Two Guys, Hills, K mart and Caldor.

Highlights of the Bicentennial year included Caldor's 25th birthday; Hartfield-Zodys emerging from Chapter XI (which it had operated under for 16 months), and Kresge's earnings surpassing J. C. Penney's. (At $200,832,000 Kresge's earnings gave it second place among all retailers.)

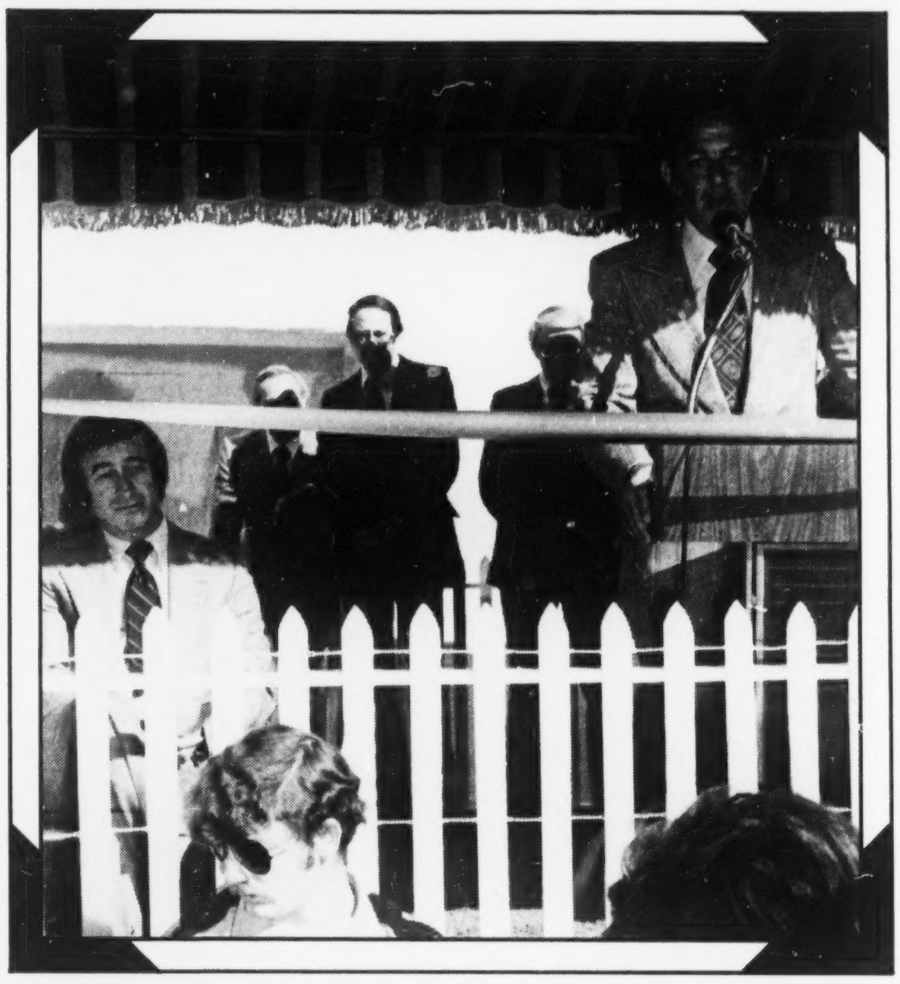
For the first time, T.G. & Y. found itself on the top 100 list's top 10. The Oklahoma City chain had evolved from its strict variety center operations into the operator of 416 discount stores, becoming the seventh largest discount chain with volume of $680 million.

During the year, *DSN* took a closer look at who was shopping discount stores and accounting for the industry's growth rate.

A *DSN*/University of Maine, Portland-Gotham, study polled 700 Portland shoppers and concluded discount store shopping was more preferred than department store shopping. The tally found 44.3% of shoppers preferring discounters to 34.4% preferring conventional department and specialty stores.

Of shoppers polled, 36.3% said their total purchases in discount stores usually ranged from 1¢ to $5; 30.4% spent $5.01

(Continued on page 67)



Hartfield-Zodys emerged from Chapter XI, guided by president and ceo Edward Solomon (seated, l.) and the Zodys division's new president Arnold Suval (speaking), who joined the company from W. T. Grant. *(DSN photo)*

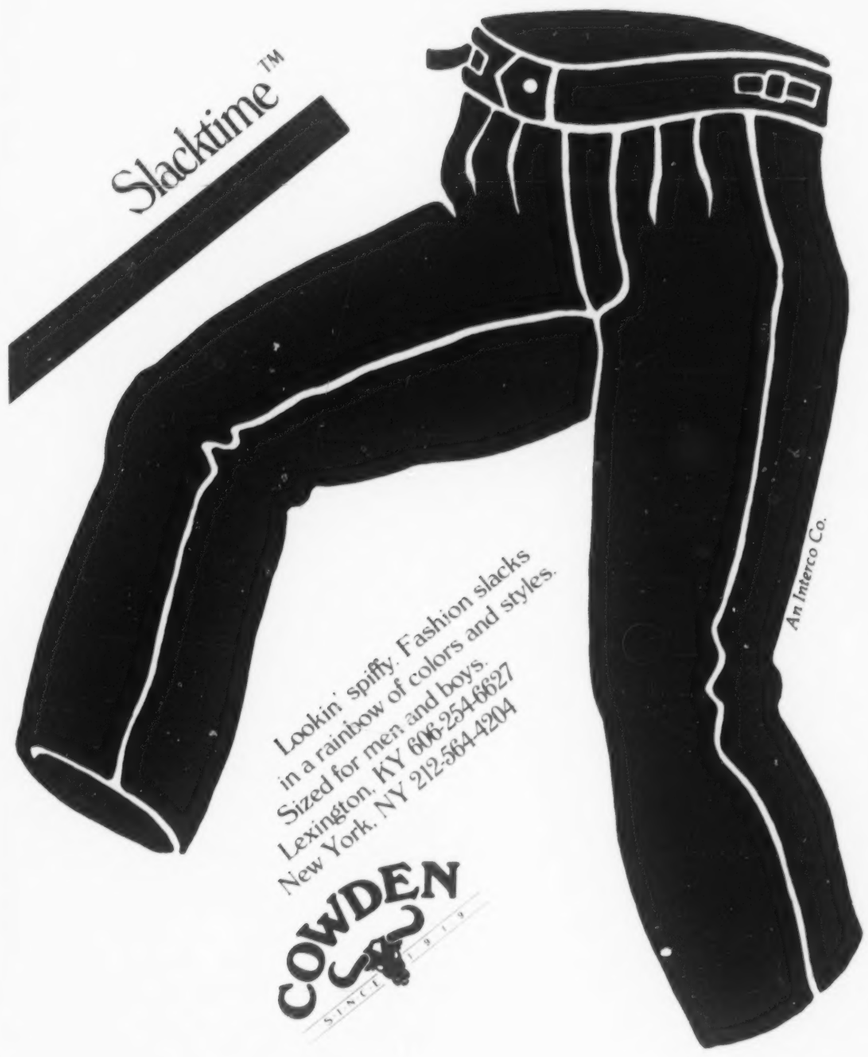
1976 High-lights

Industry volume: $44 billion.
Stores: 6,142.

- Jimmmy Carter's Presidency poses question marks on unemployment and labor policies.
- Sol Price readies the Price Club.
- Bicentennial merchandising is hot.
- Hula Hoops sales are way up on the West Coast where discounters experience shortages—sales are slower on the East Coast. Prophylactics are displayed in some discount stores for the first time.

Top Five: 1976

Chain Rank	$ Volume (millions)	Store Count
1. K mart	7,653	1,992
2. Woolco	2,255	335
3. Gibson	1,487	647
4. Zayre	985	255
5. Two Guys	752	76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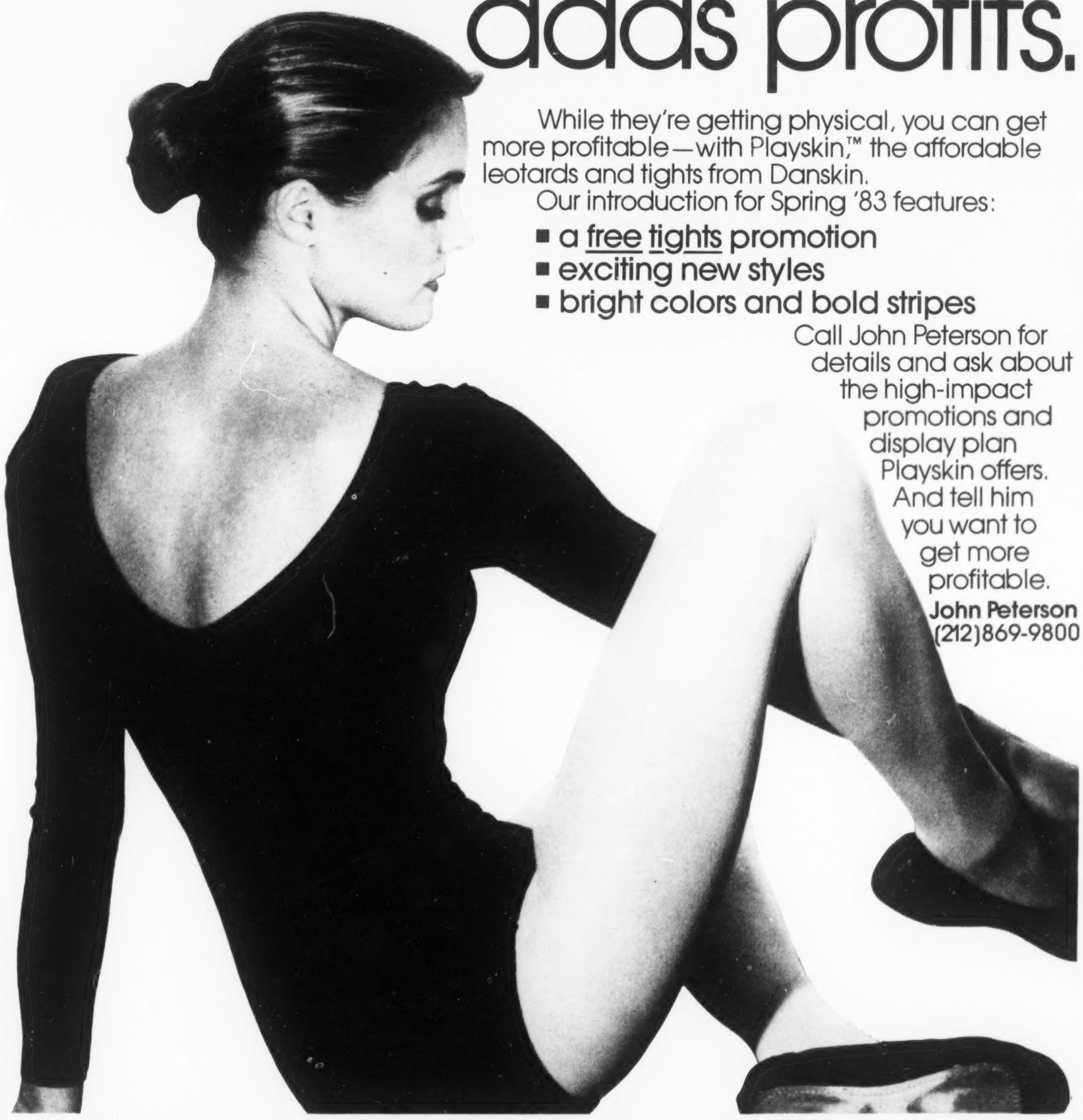

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1977: Openings Increase Store Count by 396

New-store openings were at the top of the news again in 1977.

As the industry grew to $47 billion and 6,538 units, it experienced its third-largest new-store openings gain. There were 396 units added, surpassed only by 1976's and 1970's new-unit totals. (In 1976, 606 new units bowed, with many takeovers of ex-W. T. Grant locations, after that company went bankrupt.)

K mart, approaching $10 billion in sales, accounted for a large portion of the new-store gain, opening 271 units compared to the 130 it had originally planned.

The leading discount chain during the period unveiled a new 55,000-sq.-ft. prototype, and began experimenting with a 30,000-sq.-ft. format (through its acquisition of 10 Town & Country units).

The average store size, reflecting the move by K mart and others to build smaller units, showed a decline from 72,031 sq. ft. to 71,566.

A closer look at expansion efforts revealed:

—Target opening 11 units to give it a total of 59. For the four years prior, Target had opened only three stores. Then in 1977 in four months' time it opened four, adding seven more by year's end.

—Woolco doubled its expansion plans from 12 to 22 and for the first time converted Woolworths to its logo with the conversion of four in Canada.

—Wal-Mart opened 47 units to give it 199, including 16 Mohr Valu takeovers. The chain also moved into its 10th state: Illinois.

—King's neared the 200-store mark with its acquisition of Mammoth Mart for a total of 185 units.

—Caldor opened six new units, five of which were former Grants.

A Closer Look

Perhaps the year's hottest story was the proposed Two Guys-FedMart merger that would link 82 units producing $830 million volume with 48 units and $600 million volume, respectively.

While waiting for the big merger, FedMart under the direction of European hypermarketer Hugo Mann agreed to purchase the Sage discount chain.

Among the other top news items were Kresge's name change to the K mart Corp.; the question as to whether ailing Korvettes could stay afloat; Pamida abandoning the Gibson franchised name; the FTC finally setting a trial date in its case against H. R. Gibson for allegedly inducing trade show allowances, and the fate of J. M. Fields, where the top management underwent more than one change.

The executive shuffle was no less titillating.

In a July issue, *DSN* reported 11 chains got new prexies in 10 months: Harold Frank at Bradlees; Robert Riesner, Valley Fair; Gerald Nathanson, J. M. Fields; Frank Arone, Goldfine's; Dave Kenney, Jefferson/Ward; Ron Mayer, AyrWay; Al Zasloff, Two Guys' parent Vornado; Arlie Lazarus, Jamesway; Bruce Allbright, Target; Gus Kuhn, Big K and Arnold Suval, Zodys.

Chains continued to experiment with new looks.

Zayre turned its Waltham, Mass., unit into a test laboratory for development of a new look. The 225-unit chain, which accounted for 86.5% of corporate volume, got a new sister division during the year as T. J. Maxx off-price specialty apparel stores were born.

At Bradlees, a new hard goods program was developed in the chain's 115,000-sq.-ft. Norwalk, Conn., prototype, focusing on "lifestyle" merchandising.

Merchandising Levi's jeans was a hot topic in the industry. A Levi's price war was raging.

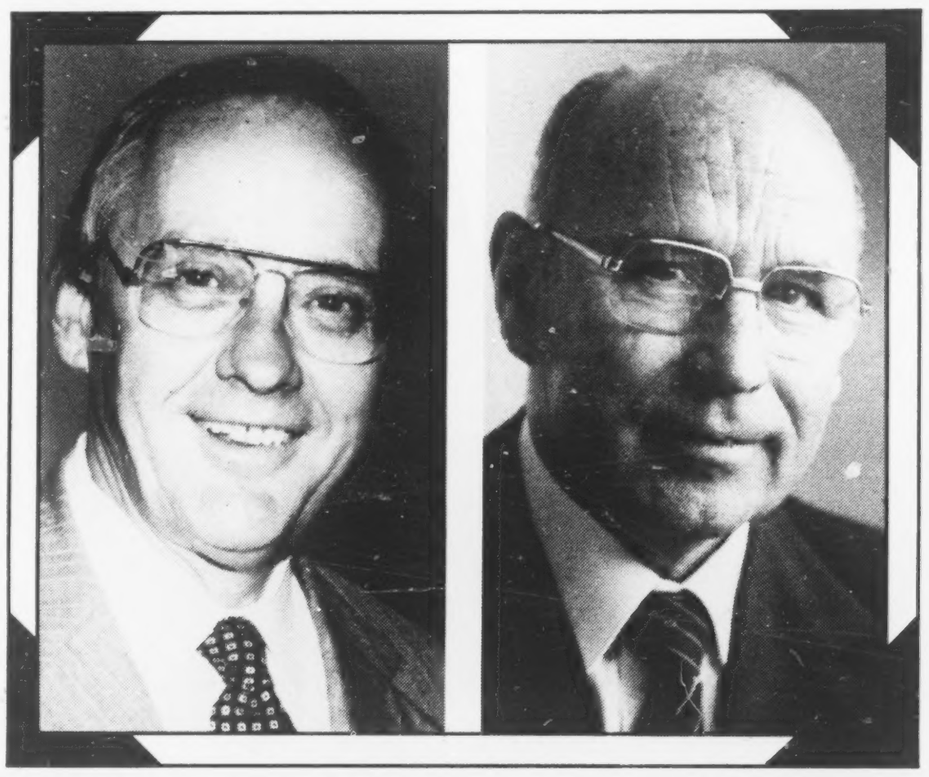
Discounters like Bob Wachs at Two Guys West began transshipping Levi's and promoting them at deep-cut prices. The manufacturer, which had traditionally protected its price structure, found an FTC complaint greatly diluted its power to regulate the product.

In other merchandise departments the key topics included: paint pad kits were billed as the hottest thing since the paint roller; CBs were fading as were van accessories; high vacation costs were spurring camping equipment sales; chains were relying on the movie Star Wars, Donny and Marie and Charlie's Angel's dolls to boost toy sales; flare-bottom pants were losing ground to straight legs.

1977 Highlights

Industry volume: $47 billion.
Stores: 6,538.

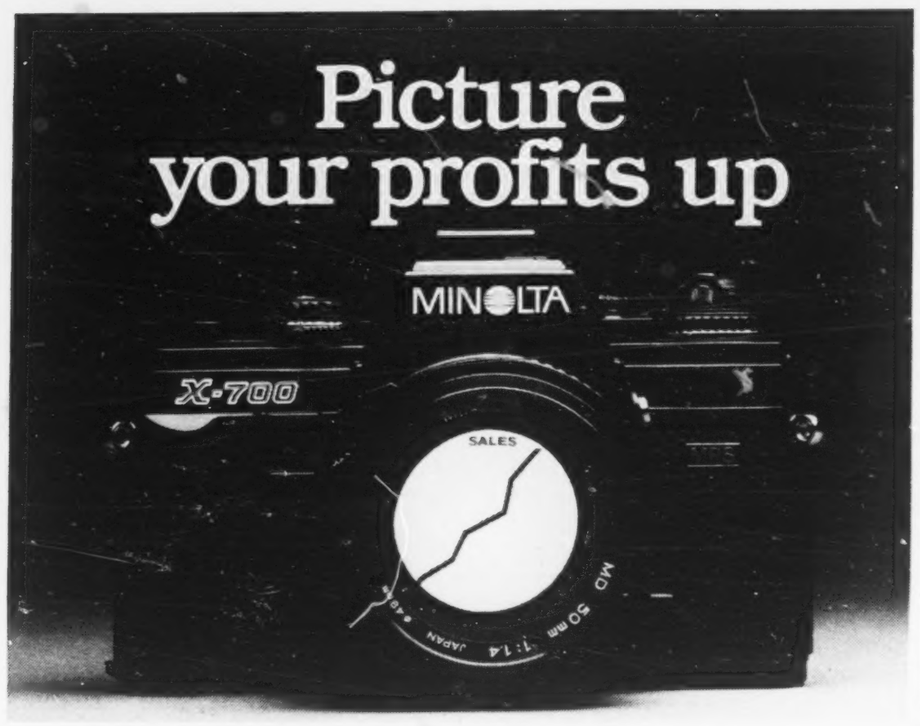
- As Korvettes launches the "other Korvettes" theme, observers wonder if the chain will stay afloat.
- Robert Hall and Robert Hall Village stores are leased, sold or closed.
- Eleven chains choose new presidents within 10 months; lack of top-brass talent is bemoaned.
- Elvis Presley records sell out after his death in August. A recently published book also registers strong sales.
- Star Wars popularity spreads, but its licensed toys won't hit discounters until early 1978.



Hugo Mann (r.), the European hypermarketer, was trying to link his FedMart chain with Two Guys in a merger in 1977. Among other executive newsmakers during the year was Bruce Allbright (l.), who took the helm as Target president.

Top Five: 1977

Chain Rank	$ Volume (millions)	Store Count
1. K mart	9,273	1,366
2. Woolco	2,438	367
3. Gibson	1,496	656
4. Zayre	1,090	255
5. Two Guys	830	82



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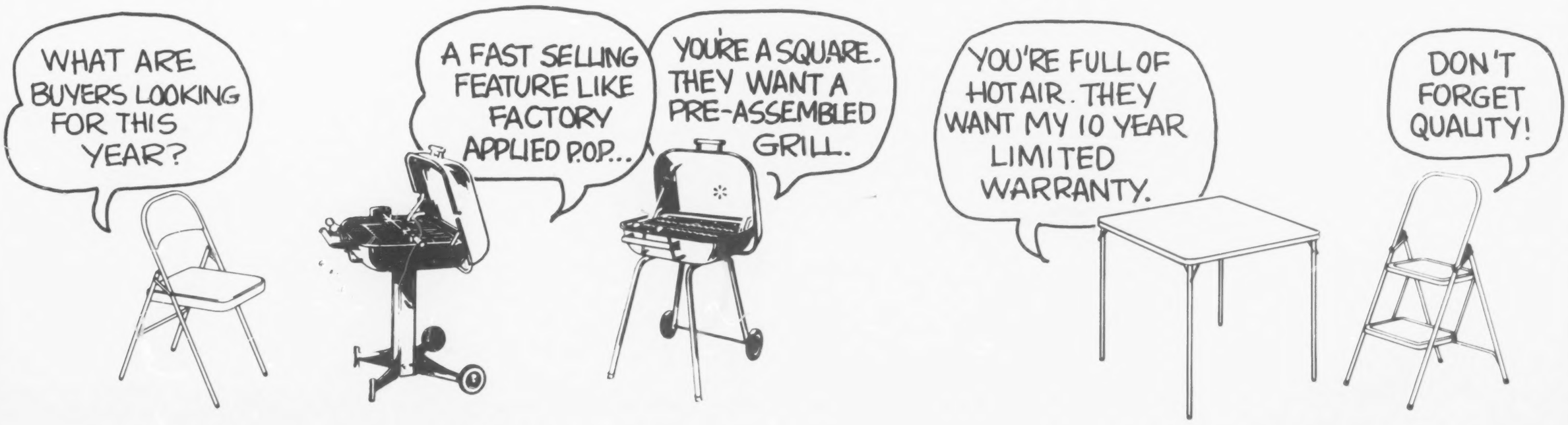
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With Fred Haddad (r.), chairman of the board, and Russell Isaacs (l.), president, in control, Heck's expected to break the $100 million mark in sales from 44 units in 1975. *(DSN photo)*

Hardware Trends

STILL GROWING AT TWENTY 20 Discount Store News

	1965*	1970	1975	1976	1977	1978	1979	1980	1981	1982	5-year % Change '82 vs. '78	% Change '82 vs. '81
Dept. Size (sq. ft.)	3,250	2,200	3,225	4,400	4,450	3,195	3,210	3,215	3,215	3,210	+ 0.5	+ 1.6
Annual Turns	5.2	2.7	3.5	3.5	3.3	3.1	3.0	2.9	2.8	2.5	−19.4	+10.7
$ Volume per sq. ft.	N.A.	N.A.	82.00	114.00	114.08	122.47	132.91	143.00	149.00	154.00	+25.7	+ 3.4
Initial Markup (%)	N.A.	38	40	40	41	39	41	42	41	40	+ 2.6	− 2.4
Gross Margin (%)	31	35	36	35	35	34	36	37	36	34	N.C.	− 5.6
Discount $ Volume (billions)	N.A.	N.A.	N.A.	N.A.	N.A.	2.7	3.1	3.6	3.9	4.1	+51.9	+ 5.1
$ Sales per Store (thousands)	N.A.	N.A.	N.A.	N.A.	N.A.	391.2	426.6	461.0	478.0	495.0	+26.5	+ 3.6

*N.A.—Not available. N.C.—No change. *—Earliest year for which figures were available. Source: DSN research.*

1975: Costs Cut as Recession Hits

(Continued from page 63)

ry display space in discount sites.

Such a move may have been prompted by an MRI report that indicated that average sales per store had fallen off in each of the last four years. That figure was $3.7 billion in 1969, but dropped to 3.3 billion in 1974.

The report went on to say that bottom-line profitability was the biggest problem facing discounting. An executive said that merchandising proved to be their greatest weakness.

On a brighter note, however, another MRI report predicted that 1976 would be a year of steady expansion, basically through acquisitions. As the economy begins to swing upwards, the report said, the drive will be toward more stores with higher gondolas.

Distribution centers were pinpointed as a growth area—as a method of quality control and to tighten merchandise levels in stores.

Adding It Up

According to reports, discounters were going to be each other's greatest foes—with Sears and Ward nipping at their heels.

More chains began to planogram—to cut sku's, stay in stock, speed turns and keep consistent displays from store to store.

The innovation that was termed "the most futuristic development in the use of computers by industry observers was Fred Meyer's plan to acquire a bank to tie into the company's retail outlets by computers.

The chain hoped for customers to make purchases by transferring funds through POS terminals from their bank accounts to store accounts using a credit card number.

Venture bet that enough customers wanted to fit their frames into Levi's and opened Col. May's Levi Emporium. This store, annexed to a Venture, was based on Levi's policy of allowing stores to carry its goods only if they stayed at manufacturer-suggested retail prices and merchandised goods in a separate building that didn't carry the discount chain logo.

1976: Ex-Grants Acquired

(Continued from page 65)

to $15, and 13.4% spent $25.01 to $50.

The survey revealed, however, that shoppers were reluctant to buy apparel in discount stores despite chains' heavier emphasis on the category. The survey found 44.6% would not make apparel purchases from the chains.

Undaunted by the news, discounters during the year upped apparel sales to 55.6% of total business.

Chains were encouraged about apparel business in the future as the Federal Trade Commission began an investigation into the allegedly unfair vertical competition and resale price maintenance among manufacturers of women's apparel.

Entries and exits in top management during the year included:

—Oran B. Robertson was named chairman of Fred Meyer, replacing Fred G. Meyer.

—Target president Stephen Pistner was promoted to chairman and ceo, and Ken Macke named president and coo.

—Edward Gibbons rejoined Woolworth as president and director after resigning in 1975 because of illness.

—Al Zasloff was named president and ceo of Two Guy's parent Vornado, replacing Sol Rogoff.

—Thomas F. Rafferty was named chairman of Venture, succeeding John Geisse. Geisse went to Ayr-Way as chairman.

—Gerald Nathanson was named president and ceo of Jefferson Stores, replacing Julius Mufson who was promoted to chairman and ceo.

—Arnold Suval, formerly of W. T. Grant and Zayre, went to Zodys.

—Hans Schoepflin became permanent replacement for Sol Price at FedMart, after having been acting president and ceo.

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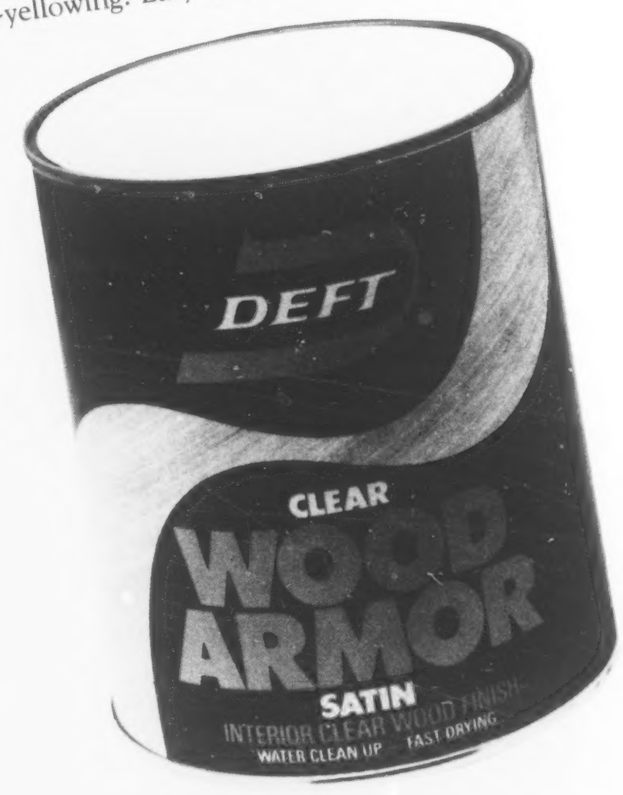

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1978: Discounters Seek to Boost Quality Image

STILL GROWING AT TWENTY 20 Discount Store News

1978 Highlights

Industry volume: $50 billion.
Stores: 6,891.

- Murphy's Mart opens 100th unit.
- Telephones appear at CE show with promise of long-term future.
- Gold Circle adds soft lines to the sporting goods department, and may even add a sneaker section.
- K mart and Woolco take on mopeds.
- Fred Meijer, founder of discount chain, dies.
- Caldor breaks out gourmet housewares.
- Woolco retreats from Atlanta market; will cluster stores.
- Pamida pulls out of Gibson's.
- Magic Mart makes the top 100 chart.

In January of 1978, discounters, feeling confident after strong Christmas sales, knew exactly where they stood.

The resounding chorus from K mart, Zayre, Kuhn's Big K, Howard Brothers and others: "1978 looks good."

An NMRI poll that year showed 96% of American shoppers shopped discount stores but 51% of the respondents added the quality of the merchandise fell short. Consumer demand for quality in hard goods and fashion in soft lines was strong enough to spell tradeup for most chains.

By the close of the first quarter, volume leader K mart announced a massive campaign to emphasize quality over price, especially through its private label lines.

A survey of the Chicago market conducted by *DSN* found K mart the top discount chain with a consumer preference of 68%. But from the standpoint of quality, the chain lost out to Venture in soft lines and Woolco in hard lines.

Further Considerations

Other chains, including T.G. & Y., Venture and Gold Circle, tried to build strong quality images. At the same time, discounters endeavored to boost sales per store, most often with more high-margin soft lines and private label hard goods.

In a survey of hard lines pricing for the previous year Venture and Gold Circle shared the spotlight. Both chains were using sharply priced name brand hard goods to lure shoppers into the store and build traffic for the beefed-up apparel sections. By the end of 1978 the winner at that tack was Bradlees.

Chains also set out to boost profits by cutting out leased departments. The percentage of leased sales to total volume hit a six-year low in 1978 of 7.18%.

Woolco, for one, took over men's and boys' apparel from Rockower Brothers. The chain also took over its paint department that year. Wal-Mart closed 54 leased pharmacy departments and launched its own sections on a chainwide basis—as did K mart.

At T.G. & Y., private label showed up in the form of jeans and junior apparel. The chain's new president, James Nugent, had announced a shift in the focus to the full-line discount stores earlier in the year. The plan included a total of 300 additional discount units over five years—82 in 1978. No more variety stores were scheduled that year and 25 of those existing units were to be converted to full-line discounters.

Nugent also discussed joining the NMRI, and emphasiz-

(Continued on page 81)

Top Five: 1978

Chain Rank	$ Volume (millions)	Store Count
1. K mart	9,271	1,535
2. Woolco	2,600	396
3. Gibson	1,430	550
4. Zayre	1,175	253
5. Wal-Mart	880	228

After "Star Wars" took off at the box office discounters had a sure-fire sale of the movie's licensed merchandise in early 1978. Fed-Mart stacked space stations and space ships in its traffic aisle.

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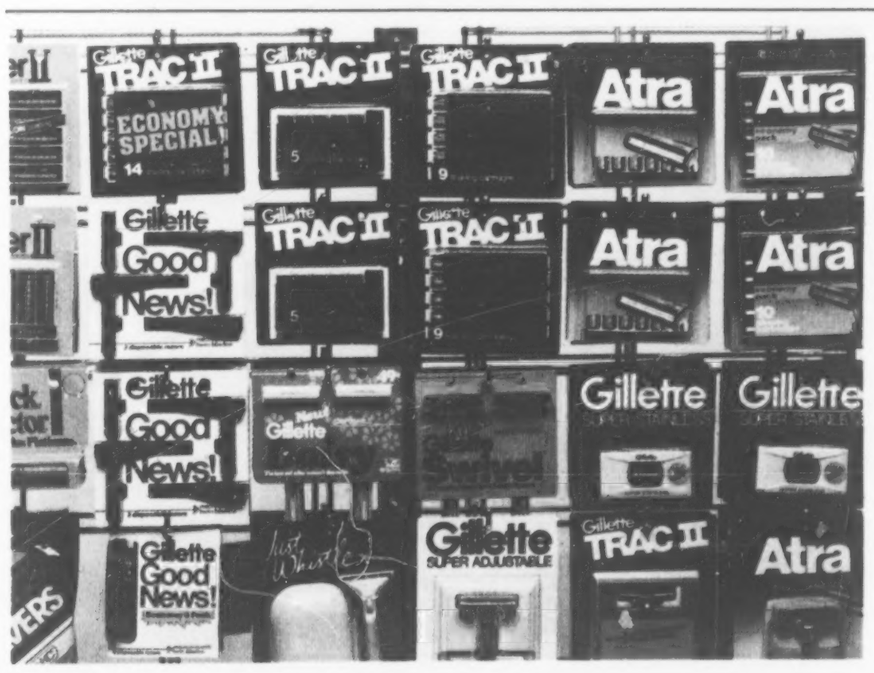

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1979: Korvettes Is Taken Over, But TSS Isn't

1979 Highlights

Industry volume: $55 billion.
Stores: 7,266.
- Agache-Willot takes over Korvettes.
- Sam Walton gets Dicounter of the Year award.
- T.G. & Y. and Wal-Mart hit $1 billion in sales.
- F. W. Woolworth resists unfriendly takeover bid from Brascan Ltd. of Canada.
- Montgomery Ward announces plans to convert Ward stores to Jefferson/Ward format.
- Target is accused of selling stolen Calvin Klein and Gloria Vanderbilt Jeans.
- King Tut has short-lived influence on jewelry sales.
- Hottest merchandise includes snug sacks.

By 1979, the active look was the fashion craze. In discounting, mergers and acquisitions were the craze.

It was the year Vornado, parent of the teetering Two Guys chain, tried to acquire Times Square Stores. TSS wasn't for sale.

Woolco wasn't for sale either but an unfriendly takeover bid was launched by a Canadian firm, Brascan Ltd. Another Canadian firm launched a similar bid for Brascan and kept it from following through on the Woolco bid. Later on in the year Lowes, yet another Canadian company, set out to boost its 2% interest in Woolco to 15%. That was generally interpreted as the start of a takeover attempt. But, it never materialized. Loews sold most of its interest in the company before the year's end.

Meanwhile, more viable mergers began to shape up. Agache-Willot, a French firm, bought the Korvettes chain. Alain Matthieu was installed as chairman and Nicholas Palihnic was named president. Together the two were to improve the chain's in-stock position, boost turns and return to a price emphasis on soft lines. None of this happened by the end of the year, however.

New Attempts

Ames bought the Big N chain for $38 million and gained 45 upstate New York stores—instant penetration into the Northeast.

The Jefferson discount division of Montgomery Ward tripled its size thanks to a series of acquisitions. The 11-unit chain picked up eight Al-mart/Hunter units, 11 J. M. Fields stores and three Murphy's Marts. Opening two of its own units, the chain grew to 37 stores before October.

Jefferson moved into New York, Pennsylvania and Tennessee. Later on in the year Ward announced plans to convert eight of its Ward stores to the Jefferson format.

Fishers Big Wheel acquired 11 Buckeye Marts in Ohio and five Tempo stores in Michigan from Gamble-Skogmo. Schottenstein's picked up 23 Mason's discount stores from M. N. Fishman. Jamesway took on seven Shoppers City stores in Pennsylvania and New York.

Ladies' apparel remained the leading volume producer with $6.6 billion in sales for the year. Most chains were scurrying to trade up or upscale their look in response to competition from specialty chains, but most ran into a brick wall in getting name brands.

When Target managed to stock up on Calvin Klein and Gloria Vanderbilt jeans for its

(Continued on page 81)

"This is retailing in the 80's," FedMart president Heinz Gundlach (left) told *DSN* at the unveiling of the chain's hypermarket-style prototype in Houston. Smiling exec vps Bob Quayle and Dave Dolton (right) were at his side.

Top Five: 1979

Chain Rank	$ Volume (millions)	Store Count
1. K mart	13,000	1,659
2. Woolco	2,855	420
3. Zayre	1,320	249
4. Wal-Mart	1,200	270
5. T.G. & Y.	1,192	497

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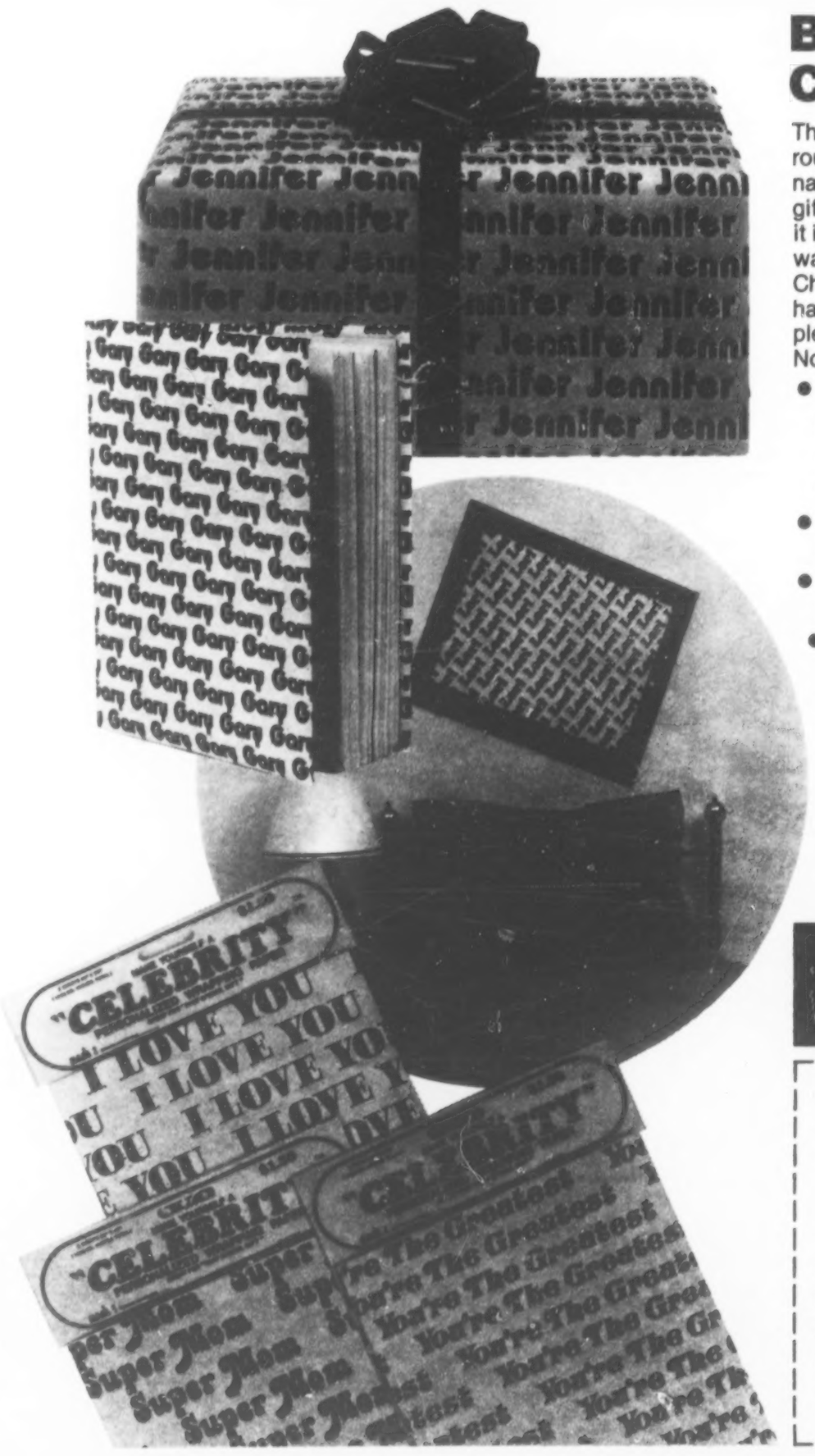

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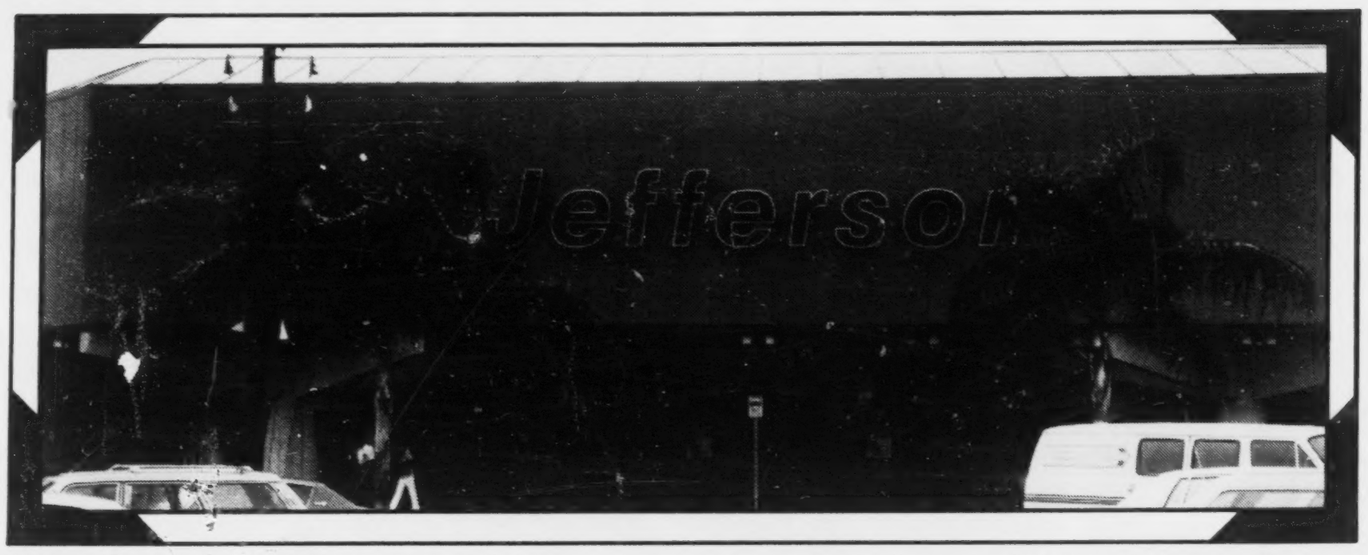
STILL GROWING AT TWENTY 20 Discount Store News

1980: Price Ads Overshadow Image Builders

1980 Highlights

Industry volume: $60.5 billion.
Stores: 7,736.

- Bernard Fauber is named chairman and ceo at K mart; shortly thereafter the chain unveils a new prototype that features a race track aisle and department store fixturing.
- Montgomery Ward steps up the expansion of its Jefferson Stores discount arm, announcing plans to convert 115 Ward stores into a new Jefferson/Ward format.
- T.G. & Y. passes the $1 billion mark.
- James Guinan is named president at Gold Circle.
- Woolworth creates the J. Brannam off-price branded apparel chain.



In 1980 Montgomery Ward decided to place more emphasis on its discount division, Jefferson, than on its conventional mass merchandising arm, announcing plans to convert 115 Ward units to Jefferson formats. *(DSN photo)*

It was a year for making decisions.

The voters chose Reagan for President in 1980. Discounters were busy deciding how to stay ahead as the economic mood once again darkened.

With Reagan promising to turn the troubled economy right side up, discounters gave the image-building advertising of the 70's a back seat in favor of hard-core price ads.

Discounters seemed to have taken the mass merchandising lead as consumers continued to hunt out the best bargains. That year Sears surrendered in its price war with K mart—establishing discounters as the retailers with the sharpest price points.

The first year of what *DSN* had labeled the decade of the discounter was marked by a volume growth of over 10% to $60.5 billion. Store count grew by 470 to 7,736—a growth 25% greater than the year before.

Overall, discounters had chosen to opeate more of their own departments, as the number of lessees continued to decline. Chains operated pharmacies in 40.8% of the industry's units compared to 35% the year before. TBA centers, dental clinics and optometry centers grew in number. Shoe lessees still did a strong retail business, but most chains were in some stage of establishing their own way to handle the category.

Discounters were also choosing smaller units for new stores with average size down to 70,000 sq. ft. from 100,000 a few years earlier.

K mart's decision of the year, to promote Berhard Fauber to chairman and ceo, marked a new focus on internal efforts to beef up merchandising. Fauber worked his way up through the chain's merchandising ranks. His involvement with the chain's revamping of merchandising techniques was cited at the chain's annual meeting.

Montgomery Ward reached a controversial decision during 1980. The parent company of Jefferson announced a plan to convert 115 Ward units to a discounting format. The Jefferson/Ward concept was born in the company's choice of discounting over conventional mass merchandising. (To date, the stores haven't been converted.)

Federated also decided to step up its commitment to the discounting field as Richway was graduated to become the company's 20th autonomous division.

Mack's variety stores launched a Maxway discounting arm in 1980. The year saw the final decision on the Korvettes chain as the French parent Agache-Willot gave up on its efforts to save the failing chain. The last effort, which finally established some market position for the chain, backfired. "The Other Korvettes" was an effort to build the soft lines image. The campaign had the effect of destroying the hard lines image which had been Korvettes' only strong point in the past.

Adding It Up

As other chains staked out market positions for the new decade, some 150 stores changed hands as the industry's acquisition fever continued.

Oregon-based Payless Drug Northwest won a battle with the Jewel Companies for the 61-unit Payless (Calif.) discount H&BA chain. That acquisition gave Payless Northwest a strip of over 150 units from Hawaii to Oregon.

Target negotiated a takeover of the 41-unit Ayr-Way chain and set out to take over Barkers (60 units) and its sister operation, Franklin Stores. Consolidation of the three chains, all controlled by Cornwall Equities, resulted in the expansion of King's into the Sunbelt states of Texas and Louisiana.

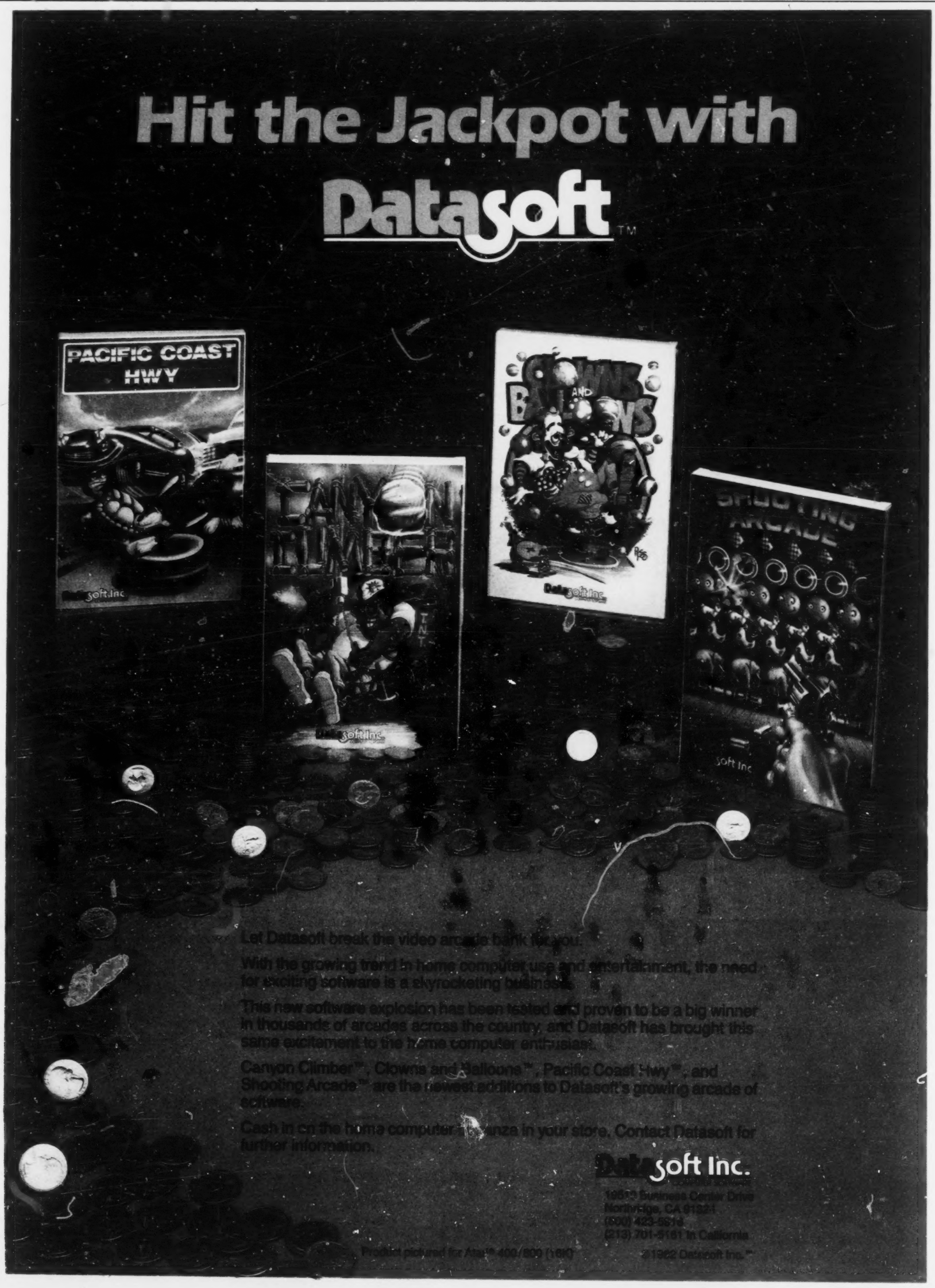
Meanwhile, the Heck's chain added five Mr. Wiggs units to its stall. Chain president Ray O. Darnall was actively looking for a buyer for his interests in the 85-unit chain.

With the discount industry thriving, catalogers moved into the discounter's realm more aggressively than ever. In hard lines, catalogers offered stiff

(Continued on page 82)

Top Five: 1980

Chain Rank	$ Volume (millions)	Store Count
1. K mart	14,859	1,888
2. Woolco	3,205	454
3. T.G. & Y.	1,877	925
4. Wal-Mart	1,600	326
5. Target	1,400	97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1981: New, Upscale Prototypes Are Developed

STILL GROWING AT TWENTY 20 Discount Store News

1981 Highlights

Industry volume: $66.6 billion.
Stores: 8,164.

- K mart opens its 2,000th store.
- Best becomes the first cataloger to hit $1 billion in sales.
- Glosser Bros. launches Winners off-price apparel stores.
- Sam Solomon showroom chain files Chapter XI.
- Following up on the "Rocky" movies' hype, chains like Jefferson/Ward, T.G. & Y. and Prange-Way add sku's and step up ads on boxing equipment.
- Hills tests gourmet housewares.
- Best adds glass showcases in Montgomeryville, Pa., store.
- Housewares rebates are hot; K mart, Zayre and Gold Circle offer their own versions.

Arlie Lazarus, president (left), and Herb Fisher, chairman, Jamesway, went to Wall Street in December 1981 to speak before a group of Security Analysts interested in the company's stock.

The NMRI called 1981 the turning point of the discount industry.

Discounters had outperformed conventional department stores during the mini-recession of the previous year. By 1981, specialty chains, flea markets, off-price apparel outlets and warehouse clubs were intensifying the competition for the consumer's still shrinking dollar.

For the most part, discount chains spent the year developing new prototypes featuring new adjacencies and upscaled presentations. K mart, Woolco, Hills and Roses were among the chains that spruced up and slipped some higher tickets into departments like apparel.

Strawberry Shortcake was keeping buyers of juvenile apparel, domestics, toys and even housewares smiling as the "strawberry look" took off.

New Moves

In furniture sections, lifestyle furniture with chrome and glass featured some higher tickets, boosting the trade-up trend. In CE high-quality, name-brand home sound systems were popular. Wal-Mart shocked most of the industry by stocking Pioneer systems retailing in the $600-$800 range.

The appeal of designer jeans was still strong at the start of the year. The bootleg jeans business was reportedly contributing some $300 million to the industry. But by September the designer jeans craze was officially dead and many manufacturers were reportedly over-stocked after the back-to-school season.

K mart Apparel ran a huge ad in *Women's Wear Daily* in an effort to pick up more brands of soft lines for its stores.

Industry volume reached $66 billion, and with 428 new stores total count hit 8,164 by year's end. Discounters were seeing their earnings-to-sales ratio slip all year but volume kept growing.

Competition from Sears was stepped-up in response to discounters' strong business. Sears reversed an earlier decision and once again restructured its prices to compete directly with discounters.

(Continued on page 82)

Top Five: 1981

Chain Rank	$ Volume (millions)	Store Count
1. K mart	16,255	2,055
2. Woolco	3,419	497
3. Wal-Mart	2,200	480
4. Target	1,853	151
5. T.G. & Y.	1,675	511

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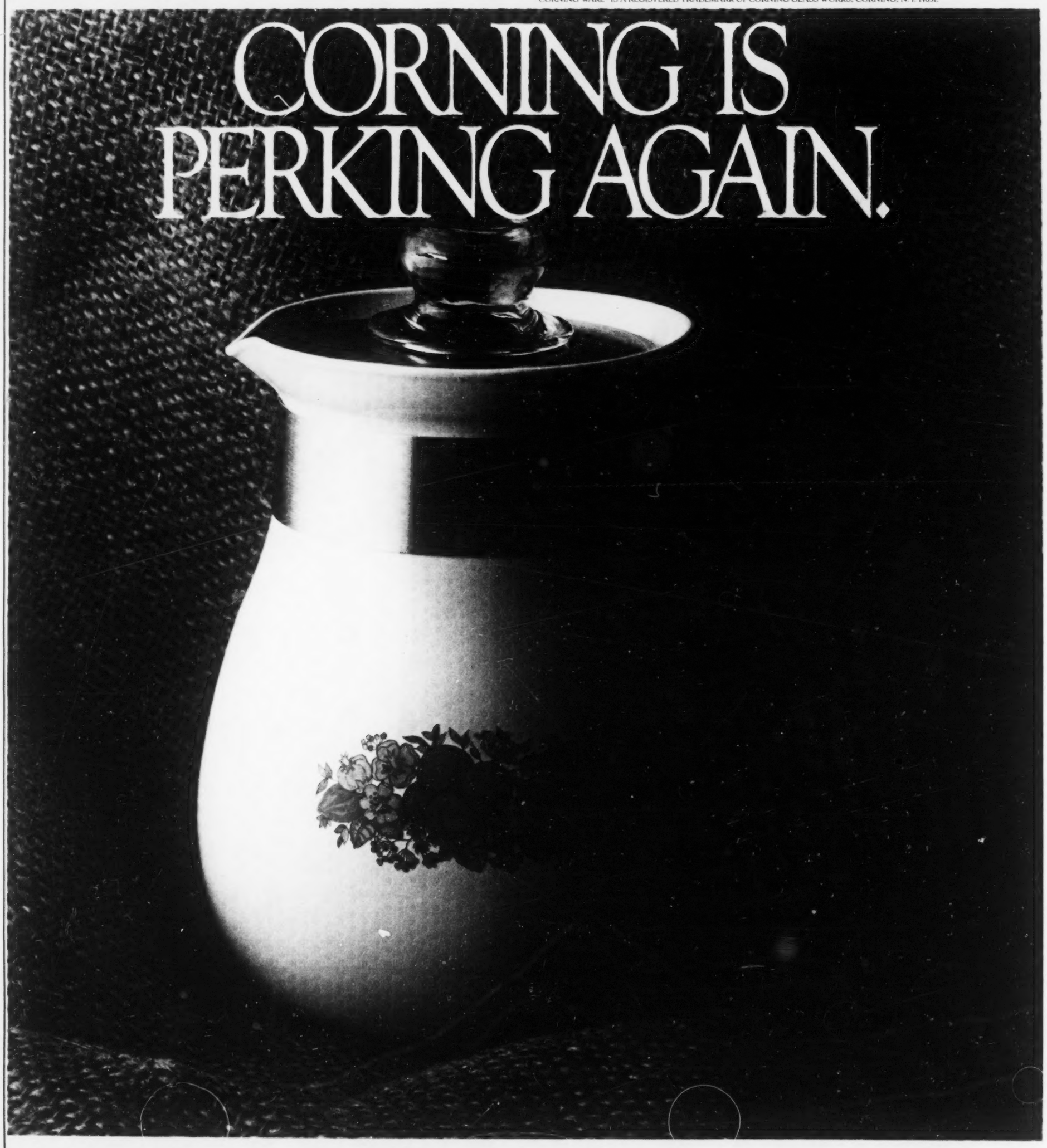

1982: Economy Is Uncertain; Woolco Will Quit

T.G. & Y. created a new chain in 1982, AIM for the best Stores. *(DSN photos)*

1982 Highlights

Industry volume: $72.6 billion.
Stores: 8,282.

- T.G. & Y. launches its new AIM for the best Stores.
- K mart offers an exclusive Jonathan Logan line.
- FedMart finally calls it quits.
- A flood of licensed products has discounters juggling Smurfs, Pac-Man, and Dukes of Hazzard, as they try to predict which E.T. items to take on and which ones to leave.
- The peso plummets, hurting business this side of the Mexican border.
- Home computers come of age and discounters scramble to plug into the high-ticket category.

This year was dominated by uncertainty and laced with a few surprises.

Of course the biggest surprise was F. W. Woolworth's decision to shutter the 336-store Woolco chain. After 20 years in operation, Woolco was ranked fourth among discounters by volume.

Slow consumer spending was no surprise, and retailers remain uncertain as to when Reaganomics will actually turn the tide and to what degree.

The FTC's controversial stance in favor of resale price maintenance has discounters fuming and wondering just how far manufacturers will be allowed to go in imposing distributional restraints.

Still, discounters are projecting a sales gain of 9% industrywide to $72.6 billion in a year when new store openings hit a record low.

The '82 numbers also show that the bigger chains are getting stronger with over 47% of the industry volume generated by the top 10 chains.

At Wal-Mart, for example, volume zoomed ahead 49% in the last completed fiscal year with the acquisition of the 106-unit Big K chain. By the end of this year the chain will hit $3.5 billion in sales—an increase of 40%.

Sales Estimated

K mart will pass the $18 billion mark this year following a strategy of slowed expansion and tightened controls.

This year the FedMart chain, May's Family Centers and Twin Fair called it quits. Others such as Howard Brothers, King's, and J. W. Mays filed Chapter XI. Total chain count slipped slightly to 259.

T.G. & Y. made the headlines this year with the launching of the AIM for the best chain. The company will shift its focus to the upscale units for the future.

Upscale discounter Caldor is paced to hit the $1 billion sales mark next year with an '82 projection of over $800 million.

While larger chains kept moving ahead, chain execs did some moving around, too.

Harold Smith led the parade of surprising shifts with his move to the now-failed Woolco chain as president. Smith had been Magic Mart's vp/gmm.

Peter Hollis was next. He vacated the vp/gmm slot at Zayre to fill the post of executive vp at Fishers Big Wheel. Another Zayre exec, Joseph Muriana, who headed store operations, packed up to join the Woolco chain this summer.

Meanwhile, Jack Edwards left the Ames chain to fill the

(Continued on page 85)

Top Five: 1982

Chain Rank	$ Volume (millions)	Store Count
1. K mart	18,435	2,125
2. Wal-Mart	3,500	555
3. Target	2,398	167
4. Woolco	2,257	329
5. Gemco	1,922	92

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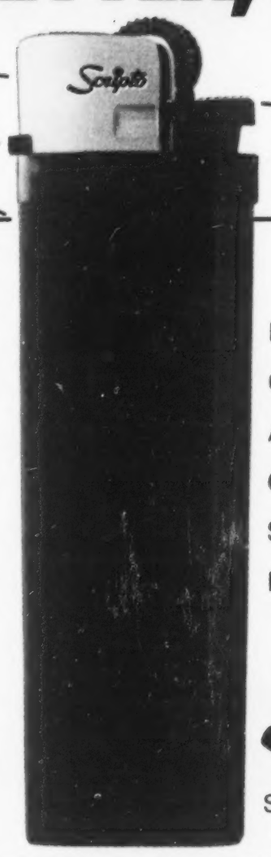

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1979: Korvettes Acquired

(Continued from page 71)

back-to-school promotional period, manufacturers went a step further than just calling foul. They accused the chain of peddling stolen merchandise. Target's price of $19.99 for jeans sold in other stores for $35 may have added to the ruckus, which led to an F.B.I. investigation clearing the chain.

Zayre and Caldor altered their apparel mix, while Ames, Nichols and Magic Mart spruced up their presentations but held down tickets. Prices at Target, Venture and Bradlees, which positioned themselves as upscale, edged up. Even the floundering Korvettes had apparel tickets rise 23% over one year.

Caldor revealed its new approach to apparel with the opening of a Middletown, N.Y., store in the summer. Dollar and unit investment were stepped up and a ladies' half-size section was broken out.

Another reaction to the success of apparel chains came in the form of Woolworth's J. Brannam apparel outlets launched in the Dallas and Oklahoma City markets.

On the other end of the discounting spectrum, the one-stop shopping approach was taken a step further when FedMart rolled out its Houston ex-Globe units' based on the European hypermarket format. "This is the store of the 80's," president Heinz Gundlach told *DSN*. Though the chain had reported a loss of $13.8 million on sales of $580 million for the year, due in part to remodeling costs, Gundlach predicted a turnaround after the first quarter of '80. Sales per square foot were expected to reach $200.

For full-line discounters the fashion trend had reached the domestics departments, as chains such as Caldor reported trouble getting designer sheets and towels. "The mills are willing to sell us their upstairs line only under private label," the buyer said.

Sales Up

Bradlees won the mass-with-class award for the trend-setter of the 70's in an end-of-the-year *DSN* special report. Ladies' apparel volume was ahead 15% to 20% in upscaled remodeled stores.

Bradlees had proven that upscaling pays with profits zooming ahead. Although men's business was flat industrywide, the chain was recording sales 11% ahead in stores where refixturing and Plexiglas shirt cases were used. Overall, sales in remodeled units gained by 20%.

Bradlees also reflected a trend toward technology; POS systems were put in 66 stores with the chainwide conversion to be completed in 1980. K mart put POS in over 200 stores in 1979 and Zayre and FedMart also started chainwide conversions.

To boost profits chains continued to cut out leased departments and add specialty sections like TBA. K mart bought out its shoe department lessee, the Canadian SCOA Co.

K mart also ran a two-month test on U-pak supermarket box store adjacent to its Pontiac, Mich., store.

New Personnel

Executive changes in 1979 included:

- John Arnold, Woolworth Corp. vp merchandising, retired. John Long stepped in as senior vp of personnel. John Lynn became president of Woolworth/Woolco worldwide and John Sullivan became president of the U.S. Division.
- Joe Nusim, who left Jamesway as vp of hard lines, returned after a year at J. M. Fields as senior vp merchandise manager.
- Kenneth Brownell Clover's gm, died.
- Heck's named Ray Darnall president.
- Walter Teninga pulled out of K mart as vice chairman and chief financial officer
- John Lundegard, Venture president, was named president and ceo at Gibson.
- Leon Mesnik was promoted to president at Barkers and Jack Edwards left the chain for a senior vp, gmm, position at Ames.
- Bernard Fauber was named ceo and chairman at K mart.
- Ira Kaplan, president and ceo of Mr. Wiggs, moved to Cook United as president.

Ladies' Wear Trends

STILL GROWING AT TWENTY 20 Discount Store News

	1962	1970	1975	1976	1977	1978	1979	1980	1981	1982	5-year % Change '78 vs. '81	% Change '82 vs. '81
Dept. Size (sq. ft.)	N.A.	12,000	10,800	10,930	9,850	9,878	9,950	9,400	9,900	10,000	+ 1.2	+ 1.0
Annual Turns	N.A.	4.3	5.1	5.3	5.0	5.2	5.3	5.6	5.8	5.9	+13.5	+ 1.7
$ Volume per sq. ft.	N.A.	N.A.	75.00	79.00	82.78	84.55	91.75	103.00	112.00	142.00	+69.9	+26.8
Initial Markup (%)	N.A.	38	41	42	43	43	43	44	44	46	+ 7.0	+ 4.5
Gross Margin (%)	N.A.	33	34	36	36	36	36	36	36	36	N.C.	N.C.
Discount $ Volume (billions)	N.A.	N.A.	N.A.	N.A.	N.A.	5.8	6.6	7.9	9.1	11.8	+103.4	+29.7
$ Sales per Store (thousands)	N.A.	N.A.	N.A.	N.A.	N.A.	835	913	1,024	1,115	1,424	+70.5	+27.7

N.A.—Not available. N.C.—No change. Source: DSN research.

1978

(Continued from page 69)

ing wearables more in the discount stores, as well as DIY and home improvement.

DIY sparks were really flying in '78 as soaring inflation and energy costs led a burgeoning number of consumers into discount stores for home improvement purchases. The industry added some 200 DIY departments that year—123 of them in K mart stores.

Inflation and the rising cost of money also spelled acquisition fever for the industry as the last of the W. T. Grant units disappeared from the market. Mergers and takeovers changed the ranking of many discount chains.

Obtaining 10 of the defunct Globe stores and two of Two Guys' West Coast stores, FedMart hit the No. 6 slot from No. 10 the year before. Left with 60 East Coast stores, Two Guys slipped from No. 5 to No. 10.

Kuhn's Big K took over the Edwards chain, becoming No. 24. King's acquisition of the Mammoth Mart chain brought it to No. 11.

Key Changes

Venture bought the Chicago-based Turn-Style chain and moved from No. 19 to No. 13. When Belscot picked up the Majors/Merit chain it became No. 15 after ranking 65th the year before.

Wal-Mart, which added some 33 units in '78, reached the top five. Volume leader K mart accounted for a third of the projected openings with 180 more stores slated for '79.

With the unveiling of three ex-Big N stores, Murphy's Mart opened its 100th unit.

By the close of the year discounters were facing challenges from all sides of retailing. Specialty apparel chains such as Marshalls and Hit or Miss were picking up steam across the country, offering brands at discounted prices.

The catalog showroom segment was also growing in strength; Service Merchandise became the largest in units with the takeover of 20 Value Merchandise showrooms. Combined volume for the two topped $447 million—$353 million from Service. Best remained the top volume producer, however.

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STILL GROWING AT TWENTY 20 Discount Store News

Men's, Boys' Wear Trends

	1962	1970	1975	1976	1977	1978	1979	1980	1981	1982	5-year % Change '82 vs. '78	% Change '82 vs. '81
Dept. Size (sq. ft.)	N.A.	8,800	7,800	7,840	7,500	7,512	7,525	9,900	9,900	7,600	+ 1.2	−23.2
Annual Turns	N.A.	3.8	4.1	4.4	4.1	3.6	3.6	5.6	5.8	4.0	+11.1	−31.0
$ Volume per sq. ft.	N.A.	N.A.	80.00	87.00	75.89	77.61	80.85	103.00	112.00	105.00	+35.3	− 6.3
Initial Markup (%)	N.A.	36	39	41	41	41	44	44	44	41	N.C.	− 6.8
Gross Margin (%)	N.A.	34	34	35	35	35	35	36	36	35	N.C.	12.8
Discount $ Volume (billions)	N.A.	N.A.	N.A.	N.A.	N.A.	4.0	4.4	5.3	6.1	6.6	+65.0	+ 8.2
$ Sales per Store (thousands)	N.A.	N.A.	N.A.	N.A.	N.A.	583	608	682	747	797	+36.7	+ 6.7

N.A.—Not available. N.C.—No change. Source: DSN research.

1980: Image-Building Ads Take a Back Seat

(Continued from page 72)

competition with sharp price points. For the most part, discounters were able to keep their prices competitive and stock a wider choice of goods.

Showroom chains like Sam Solomon stepped up their appeal to customers by adding leased ladies' apparel sections in five of its 13 stores in the Florida market. Best later added a selection of toys to its showrooms.

Discounters were successful in building their traffic with the addition or expansion of consumables and H&BA.

Ladies' apparel continued to lead the merchandise categories in volume. Fashion trends that had led to the high volume reached men's wear as the western look brought a more contemporary look to the department.

In CE and photo sections trade-up trends hit with the growing popularity of 35mm cameras and a need to squeeze more dollars out of every square foot. Carpets appeared in the photo and CE sections of chain like T.G. & Y.

The sales of 35mm cameras were so strong during the year that ALCO buyer Richard Milner wrote his own manual for salespeople of the chain's camera sections. Other hot merchandise categories included DIY with weatherstripping, insulation and pipe wraps moving fast. In personal care, curling wands took off and in apparel twill jeans in painter's pant variations and overalls picked up.

Out West, discounting variations such as The Price Club and FedMart were battling in the same market. On one hand, The Price Club reported sales of over $50 million. FedMart still failed to report a profit with its hypermarket approach. Nonfood sales at FedMart had dropped; the German operator's unfamiliarity with the competition in the American marketplace was said to be a factor.

American discounters had an opportunity to see the original European hypermarket in action as the NMRI organized a 10-day European hypermarket tour that year.

1981: Prototypes Are Born

(Continued from page 77)

The fact of the industry was still being altered through acquisitions and mergers, although *DSN* reported that proxy battles would soon replace tender bids as the most popular method of taking over chains.

The biggest—and most astute—deal of the year was Wal-Mart's purchase of the Kuhn's Big K chain. At first the bid was withdrawn by Wal-Mart, but a few months later the chain bought six Big K stores. By fall the remaining 104 Big K stores were on the auction block and Wal-Mart bought most of them for only $100 million. (The stores were predicted to be worth some $500 million in sales to Wal-Mart.)

Cook United filled in its Ohio clusters by picking up the Rink's chain.

Target's purchase of Ayr-Way and King's purchase of the Barkers chain, both announced in 1980, materialized and two respected names in the industry were gobbled up.

Associated Dry Goods, operators of conventional stores including Lord & Taylor, Robinson's of California and Stewart's of Baltimore, picked up the upscale discount chain Caldor.

Fred Meyer was acquired by the New York investment firm KK&R after a year-long courtship, which included three separate proposals.

More Stores

Mays Family Centers picked up 11 Community Family Centers. The Meijer chain grew when it added 14 Twin Fair stores—13 of which were located in Ohio.

While some chains like the Treasury and Tradeway didn't survive the year, others closed units to stay afloat.

J C. Penney, Treasury's parent company, decided to give up on its discount division after failing to arm the chain with a recognizable market position in almost 10 years of operation.

Tradeway was forced to file Chapter XI for the second time. Four of its six units were bought by Danners and a fifth was sold to the Heck's chain.

The floundering FedMart chain first went private to fight off union problems. Later in the year the chain sold off 12 stores and two Texas warehouses to stay in business. The Gold Circle chain sold its seven northern California units to Zodys.

Gibson's closed the last nine of its company-owned discount stores to focus on its wholesale and franchise operations. Sandra Corp., which owned over 40 of the Gibson franchises, was squeezed by strong competition from K mart, Wal-Mart and T.G. & Y. Four of its 41 units were converted to Handy Hammer home centers.

The year saw the end of the Two Guys chain. The chain, which had been wrenched from the controlling hands of Vornado in a proxy fight during the 70's, entered the final stages of a shift to real estate operation by early November.

The year also marked the restructuring of Jefferson/Ward under new president Steven Pistner. The Dayton Hudson veteran pulled execs from Dayton Hudson, Zayre and Bradlees.

David Kenny, president of Jefferson/Ward, resigned in 1981 after new Montgomery/Ward president Stephan Pistner put a halt to the discount chain's expansion plans which Kenney had helped engineer.

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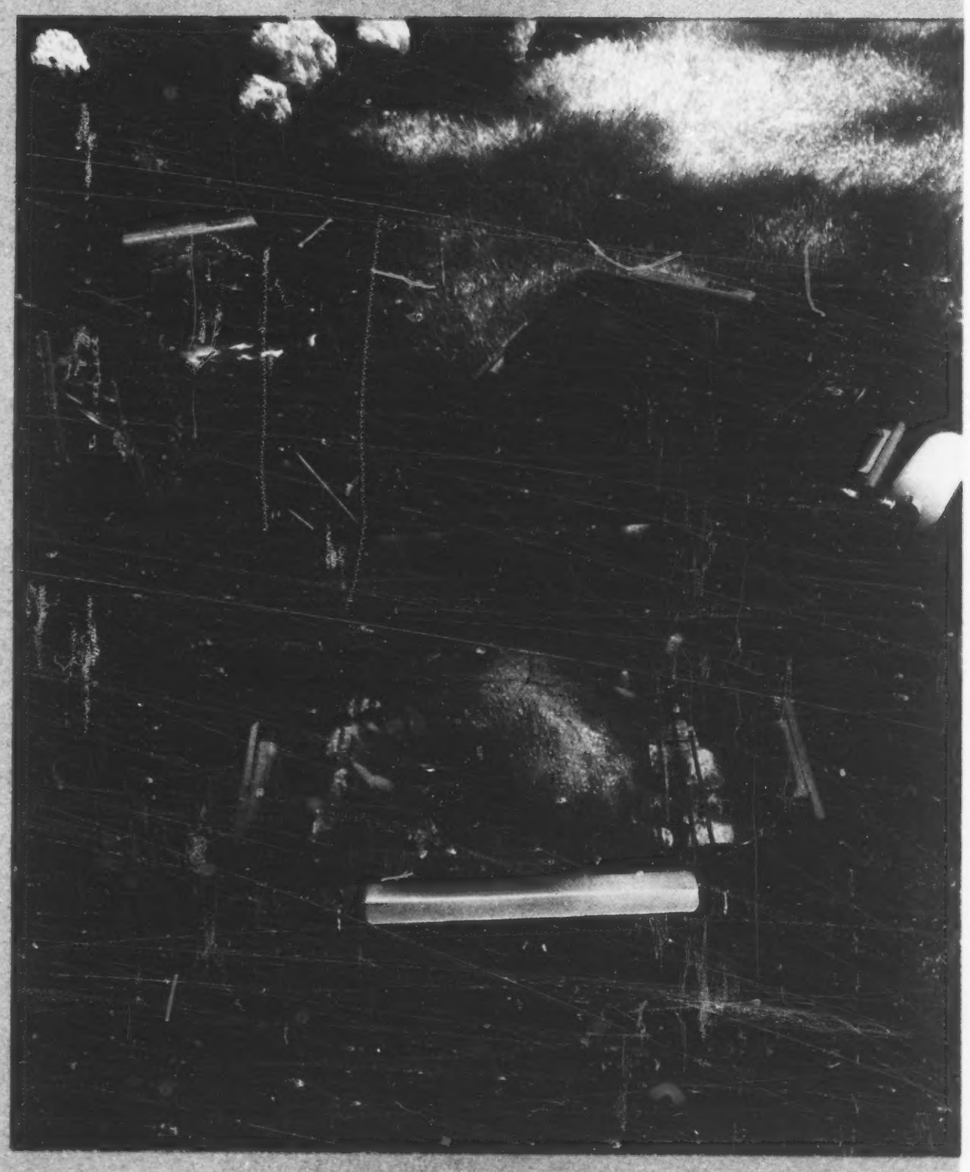

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1967: Acquisition Fever Hot

(Continued from page 33)

sion, Treasure Island, outside its Wisconsin boundaries. The five-unit chain sighted Atlanta for the first new territorial gain.

Zayre, with a stronghold in Atlanta, was concentrating on Florida expansion. The chain, looking to pass the 100-unit mark with the addition of Shopper's City, Minneapolis, appointed its first regional manager in 1967.

Extending trading area was a priority with Caldor as well. The chain, ranked 37th with $81 million in sales, opened its 13th store, a 100,000-sq.-ft. unit, in Framingham, Mass., expanding in the eastern corridor.

Bradlees eyed New Jersey turf for its expansion plans in 1967. The chain of 46 units, producing $145 million in sales, opened a regional office in the state to oversee its then seven units.

Bradlees also decided to abandon its Family Circle name in New Jersey on all new stores and began considering eliminating the nameplate on old ones.

In other name changes, Bargain Barn switched its name to Goldman's.

Woolco didn't change its name, but it fooled around with the logo presentation. The 72-unit division of F. W. Woolworth adopted script lettering, opposed to the former straight-lettered nameplate. Opening 20 new stores during the year, Woolco envisioned boosting sales to $330 million, up from $220 million.

New Appointment

In management moves during the year, new powers came to be and others began their ascent. Harry B. Cunningham, Kresge president, took on the title of chairman; Leo Cohen left Korvettes to join 11th-ranked J. M. Fields as vp and gmm; John Geisse was promoted to senior vp, gmm, at Target; Zayre named Arnold Suval merchandise manager of lingerie, sleepwear and robes, and Edwin Moore assumed power as president of the Tempo division when given independence at Gamble-Skogmo.

Interstate began consolidating the management staffs at Topps and White Front, initially moving them under one roof.

The roof wasn't all that was damaged in the fire at McCormick Place, Chicago, during the National Housewares Show. The January fire totaled the center, causing an over-$100-million loss and displaced the NHMA exhibit as well as other trade shows.

Racial tension and rioting in Atlanta and elsewhere affected discounters, causing lost business.

Discounters also made news, fighting fiercely against Sunday Blue Laws in states from Texas to New York. One company, J. W. Mays, called attention to Middle East problems, halting the purchase of goods from all countries opposing Israel, listing Arab offenders.

1982: Woolco to Drop Out

(Continued from page 78)

newly created post of executive vp at Henderson, N.C.-based Roses.

Other names in the news this year included Jonathan Logan, Pac-Man and E.T.

K mart brought Jonathan Logan, the apparel name from the past, into its store to add a private-but-status appeal to apparel. Backed with $1 million in advertising, the line hit 400 units by back-to-school.

New names in licensing such as Pac-Man and Annie kept buyers juggling products featuring the faces of movie and TV characters.

When Pac-Man video cartridges hit the shelves this spring followed closely by T-shirts, hats, and even snack trays bearing the one-eyed yellow dot, discounters bought in volume but predicted a short life for the monster muncher. Sales did fall off in six months but with a new TV show buyers expect sales to gain again.

By summer the movie "E.T." became an overnight blockbuster. Buyers started clearing out Holly Hobbie, Disney, and even Dukes of Hazzard to make more room for the ugliest creature ever to visit our planet. Still, buyers expect E.T. sales to slacken after Christmas. Most have strongest faith in the Smurf characters because of the Saturday morning cartoon show.

CE blossomed into a profitable but tricky business.

Although personal computer sales are expected to hit $35 million in just three years, the threat of future obsolescence challenges today's buyers.

1963: Blue Laws in News

(Continued from page 23)

- FedMart opened one new store and four franchised outlets by midsummer, and was holding talks for a new store in San Antonio, Tex.
- Giant Tiger opened two stores during the year and boosted its count to 17.
- Miracle Mart opened two stores for a total of 25 and had another one tentatively on the drawing board for 1964.
- S. Klein, the New York City-based discounter, opened three stores in 1963, bringing its total to nine, and planned to open two more in 1964.
- Yankee Stores closed 1963 with 16 stores, two more than a year ago, but the change was bigger than that: "We closed four 10,000-sq.-ft. stores and opened six 30,000-60,000-sq.-ft. outlets, a company spokesman said.

Arlans celebrated its 15th year in business by opening its 44th store, in its hometown of Bedford, Mass. The store, the fifth opened during the year, replaced the company's original unit.

The company also announced plans to open eight stores in 1964, although five of the eight would be units originally scheduled to open during '63. All of the stores were 60,000-80,000 sq. ft.

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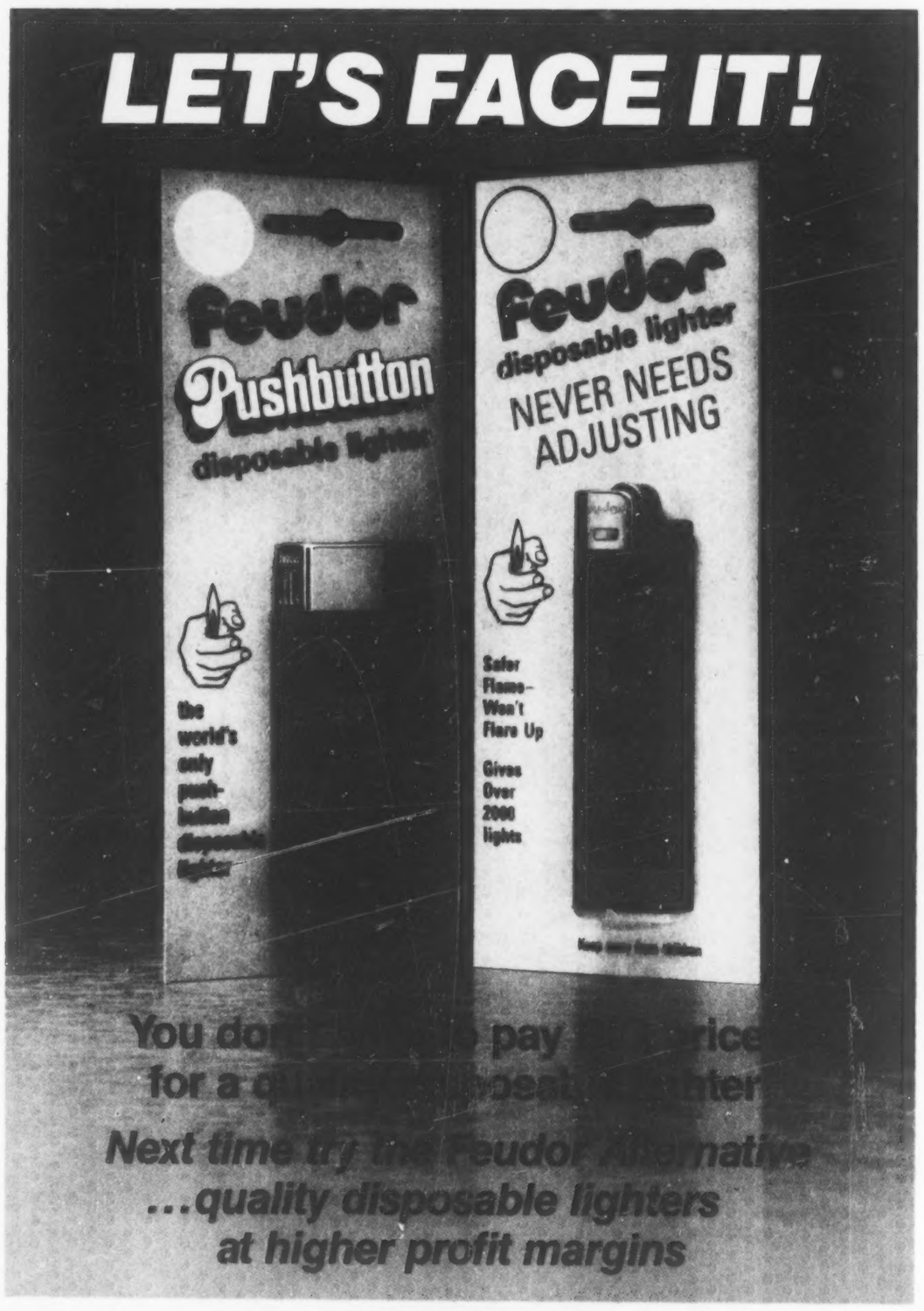

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STILL GROWING AT TWENTY 20 Discount Store News

Max Coffman, head man at Mammoth Mart, paused long enough to shake hands with a stewardess on the runway at Boston's Logan airport, then was off, with an entourage of chain executives in tow.

1966: Korvettes Weds

(Continued from page 32)

giving soft goods greater emphasis in a third of total store selling space. It was spreading the "Tiffany-type" decor it had instituted a year earlier: crystal chandeliers, smoke-mirrored walls and carpets in fashion.

A *DSN* survey of 429 stores found other trends in decor included more flexible fixtures; dropped height for greater visibility; upgraded materials and color, and shrinking shelf depth and gondola size. Chains were also using more recessed lighting, high-fashion mannequins and raised-letter departmental signing.

Giant Tiger, Diana Stores and Korvettes were among those replacing grab tables with racks. King's and Arlans followed Korvettes and tried vertical merchandise displays, although horizontal displays remained dominant in the industry.

In product merchandising, a Giant Tiger buyer spoke of trading up customers. He said the Cleveland-based chain found it was as easy in 1966 to sell a 29¢ tumbler as it had been to sell a 5¢ one five years ago. A $28.99 Flintware roaster that the chain hesitated on three years earlier had become a lively item. Bigger tickets were responsible for the chain's 20% housewares sales growth, he added.

Health and beauty aids also moved to the forefront of focus. Zayre and King's typified the mood of the industry as both moved to oust their H&BA lessees. Discounters were also moving to assume control of other leased departments such as photo and auto.

Automotive service centers were billed as the coming thing as more chains instituted sections or expanded them. The grocery department was being touted by many such as Gibson's, which announced it would install 12,000-sq.-ft. to 15,000-sq.-ft. full-line grocery sections in 30 stores after a successful test.

More Winners

On the fad scene, buyers were faced with the emergence of Batman (after the successful comic book/TV character) paraphernalia and pop culture paper dresses.

Toilet goods buyers, like one at Mason's, were predicting that glass packaging was going by the wayside in shampoo and rinses and that clear plastic would reign in the category within three years.

Tape recorders, once classed as a toy, were turning into a big-ticket business. Two Guys reported doing well in $50-$100 mono units and $200 stereo models, although $10-$15 units did the bulk business.

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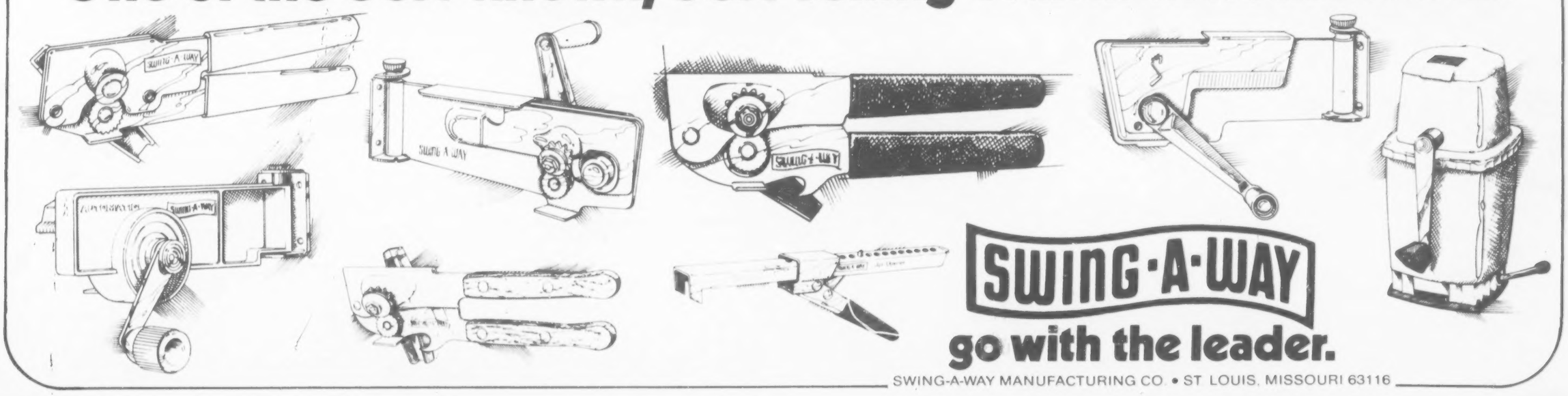

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